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PRESIDENT ALFONSIN SPEECH ON DUE OBEDIENCE BILL

PY131827 Buenos Aires Domestic Service in Spanish 1701 GMT 14 May 87

[Speech by President Raul Alfonsin to introduce the Due Obedience Bill to Congress for approval, from the Olivos Residence on the morning of 13 May -- recorded]

[Text] Good Afternoon. Not long ago, during Holy Week, we Argentines were reminded of the past. But, since we all remembered how it was then, the past could not catch us. We took to the streets and the plazas of the country to defend democracy as though we were defending our own lives. This in fact was so; our lives were at stake; our right to a civilized coexistence, freedom, progress, rule of law as conditions for a better life were at stake. We then realized that democracy could not be taken for granted, that we were exercising democracy as our right. The risks we ran those days were great. Our country was on the brink of a confrontation whose consequences are still being felt. We were on the verge of a civil war.

Also in those days, it was dramatically revealed as a synthesis of more than half a century of Argentine history, the misunderstanding between civilians and the military. In all countries, probably since the beginning of history, there has been a degree of tension between civilians and the military. Nevertheless, even if those tensions sometimes become strong, possible conflicts can be avoided by the strength of a military philosophy that views the armed forces as an instrument of the state, controlled by the political power, and, of course, an instrument at the service of the institutions and the Constitution of each country.

Unfortunately for Argentina, the idea of the role of the military has been based on the supposition that the mission of the Armed Forces was to protest the national entity, beyond the consideration of any other institutional organization. The military profession, of course, consists of the ability to use arms, but this ability must be organized; that is, the custodians of these arms must repress their impulses and always be aware that the nation has entrusted the arms to them for a particular purpose. The people have entrusted to them those arms specifically to deal with the possibility of armed conflicts. The people have given arms to the military to act in defense of the nation, with due respect for the constitutional order. The possession of arms demands rigorous discipline from a soldier, disregard for personal comfort and even for his own life. This is the high price the soldier must pay to possess arms.

When the possession of arms created the belief that might is right, and when arms were resorted to as a substitute for the sovereignty of the people, that nation, and its institutions -- including the Armed Forces themselves -- it was then that Argentina went down the road of decadence.

Our society as a whole must also share in the great responsibility for this tragic mistake, the most serious expressions of which have been the coups.

During a luncheon of comradeship of the Armed Forces some 2 years ago, I said that the coups have always been military, and therefore, the military has been responsible for them. However, we should not forget the heavy responsibility we civilians must shoulder in programming and promoting our ideologies.

This resorting to direct actions has infested our history over the past 50 years, and has created, as I have said before, a culture of illegality that has dominated all social sectors.

This serious distortion of the legal system has been aggravated by the emergence of terrorism, a cruel and bloodthirsty form of elitism which has resorted to direct actions.

The atrocities we are all experiencing are not experienced in any other society, and this is so because of a mad group. Who of those who consented, omitted, or remained silent; who of those who had fear, doubts, or who supported them; and finally, who of those who suffered and mourned can feel free, absolutely liberated of all responsibility? Who can remain unaware of the situation and indifferent to this time of building the future, without forgetting the past?

We are re-emerging from this frightening confusion. We must be convinced that there can not be a renewed or proud Armed Forces without a renewed and proud nation.

We must also be convinced that this will only be possible, and the nation will only achieve its objectives, through the absolute respect by the Armed Forces for the Constitution.

As president of the Argentine people and commander in chief of the Armed Forces, I hereby take the unavoidable responsibility to assert that in the new Republic that we want to create, there will also be a new concept of the military role.

This means that there will be changes. But this is not news. For many years the most intelligent Argentines have understood that just as it is unthinkable to have an Argentina without Armed Forces, it is equally unthinkable to have an Argentina with an Armed Forces unrestrained by the republican system. For many years we have wanted to correct that mistaken concept of the military role, but it has never been achieved. And so, you will probably ask me: How can we do it now? Certainly not by simple desire.

The concept of militay messianism has increased, has strengthened, and has been consolidated in repeated attacks on the Constitution and on the people's will. This concept grew strong in the shadow of a weak and divided society that also lost its respect for law, and that has often sought the solution of its problems in magic formulas and not in responsible effort.

The messianism has found its justification in that division, in that confrontation of society, in that vacuum of the people's power, and the civilian and republican power. It has found its justification in that society which has had not confidence in itself and which, to some extent, has permitted minority groups to usurp power by using that messianism as an instrument.

That society no longer exists. The events of Holy Week have thus demonstrated. Those events were an impressive epilogue for 50 years during which our society struggled against its own weaknesses.

This is how democracy changed from an aspiration -- an almost fearful aspiration -- into action. Today Argentine society is aware of its strength; it knows this is the source of its power. All of us Argentines know that we have recovered our rights and our freedom. We have also shown that we are ready to defend the Constitution, no matter the price. Never again will it be possible to say that there is a power vacuum, or try to impose messianic doctrines, which have always created serious disagreements, and which have always harmed the nation.

Based on all this, it is now possible to modify the concept of the Armed Forces, because during the commotion through which we lived, we could confirm it is no longer possible to impose anything on us.

So many times we have said that we wanted to build our own future. For the first time in several decades, 100 hours were enough for us to realize that we are actually in control of our future. This is the central, and probably the most significant fact of the democratic transition in which we Argentines are living.

Had we not shown to ourselves that we are capable of what we are doing, what we could actually do, I confess that I would have regarded the definitive steps toward the pacification we are discussing today as a sign of weakness and concession, rather than a sign of generosity and justice, it would have seemed to us that to try to overcome the past, which is what we are trying to do now, was just another way of mortgaging our future.

Although we sensed it, we were not aware of it because we had not measured how far we Argentines were ready to defend our present state. The importance of this experience accounts for the line of conduct we have followed.

The measures we have enforced to achieve pacification have probably been insufficient. We belived that to extend them would have led to a sequence that would sooner or later impose unacceptable concessions on us, thus jeopardizing the survival of democracy.

Never again, for the good of our nation and for the good of the Armed Forces, will there be civilian or military minorities to lead us to violence and to impair our prestige, claiming that they are the only designers of the national future.

The military should reflect on the consequences that those minority alliances brought not only to society but also to the Armed Forces.

It is certainly not because there is now democracy in Argentina that many the military feels that they are not part of the transformation process society is undergoing. It is not because there is democracy in Argentine that there is no fuel for our tanks and ships or spare parts for our planes. It is not because there is democracy in Argentina that some military men have been summoned to the courts. The contrary is true, it is because there was no democracy in the past; all of us have begun to realize this. This happened because, in disregard of the will of the people, some military men became the instruments of factions that used them and impaired their image, leading us to this dramatic situation.

Thus it has been verified that those who made the greatest effort to mobilize the younger sectors of the Armed Forces by promoting indiscipline were those who followed old military beliefs. They are responsible for the current state of affairs and for discrediting our national institutions.

I insist that a complete modernization of our Armed Forces, and the ideas that inspired them in the past, are a priority objective. The Armed Forces will be proud of themselves again when the country becomes proud of them again. This is the most important task to which we are committed.

For a long time we expressed the need for reforming military concepts. However, we always knew, and said, that before this reform could be implemented it was necessary to reconcile the Armed Forces with Argentine society. But this reconciliation should not have, and could not have, been the result of the weakness of Argentine society.

If such were the case, we would not have been able to establish the foundations of our national and democratic strength. This strength demands that we do not repeat our past tragedies. Now we have a new strength.

We got it from the people who peacefully mobilized in favor of a government of law, of a state of law, of a state of freedom, and of a peaceful life.

With this strength we will be able to attain the necessary (?condition) and take the essental step that will allow us to undertake a thorough transformation and modernization of our Armed Forces. Now, this strong democracy will allow us to live in peace.

Under these conditions, we have sent the draft bill on the due obedience law to Congress. The trials symbolize a full stop to impunity in Argentina. They symbolize the end of a concept of amnesty. which has been understood as a cloak concealing the truth and preventing knowledge of the past, and which will inexorably allow the repetition of that past.

We have always said that individuals must be brought to justice, not the institutions. Individuals must not be judged by kangaroo courts but by the laws, within a juridical system.

However, I want to make myself perfectly clear and will tell you the whole truth: I did not want this to come as initiative of the legislative branch. I also rejected the idea that I should not speak today because I want to assume full responsibility for this proposal: I am sure it will be a far-reaching measure.

I know perfectly well that through this law, some of those who committed serious crimes could remain at large, and I do not like this, but it is also true that the penal responsibility for human rights violations primarily corresponds to those who conceived this aberrant inhuman plan, and ordered that it be carried out.

These people also created a state of moral, psychological, and material coercion, so much so that those who carried out the actions thought they were acting on orders and even for the nation's benefit. Impunity has ceased in Argentina. The end of the impunity has been expressed in the prosecution and sentencing of the responsible parties and in the public revelation of what transpired and how. The end of impunity is also the end of indifference, because henceforth, no one can say in Argentina that he did not know.

Our effort to bring about pacification has been continuous. Since the electoral campaign, we have been defining the three levels of responsibility in the antisubversive struggle. Since we came to power, we have been adopting measures which, for one reason or another, were not sufficiently effective to bring about pacification.

We created the conditions for change so that the Armed Forces could be definitely integrated into a common project. Now the time has come to take a necessary and sufficient measure founded on the strength of this democracy and supported by all the people. This will allow us to be generous without capitulating. This is the time to put the past behind, but not to forget it. Consequently, we have adopted a set of decisions.

As I have told you before, we have submitted to Congress a bill sorting out the responsibility of those who participated in the repression of terrorism, taking into consideration the legislation in force at the time the events occurred. This bill defines the scope of the due obedience rule, assuming that the subordinate echelons of the Armed Forces acted in compliance with orders given by their superiors in accordance with the plans they had designed. Excluded from this premise are the crimes of substitution of civil status, theft and concealment of minors, and violation and usurpation of property.

We will also proceed to reform the Military Justice Code, as it does not meet the requirements for the appropriate operation of the Armed Forces in the framework of democracy. Currently, the Military Justice Code contains norms whose interpretation can severely violate an elementary concept of justice, such as Article 514, which virtually establishes the rule of blind obedience, thus precluding the distinction between right and wrong; a distinction which even within a rigid system such as military discipline is essential. We will further create, under the Defense Ministry, an Armed Forces modernization commission that will be comprised of members of Congress who have expressed their concern in talks we have held. The objective of this commission will be to adjust the organization of the Armed Forces to a modern state and democracy, on the basis of guidelines, studies, and measures that have already been implemented as the result of work conducted by the joint staff of each service and the Joint Armed Forces Staff, on the instructions given to them by the defense minister.

In order to prevent confusion, we will immediately adopt the administrative measures related to the Supreme Court decision to remove the former commanders in chief.

We ask all Argentines to express their concern regarding this issue. We are sure that if we are successful in modernizing our Armed Forces, we will ensure for them and our nation the recovery of our prestige, which we are already recovering, and which we want to consolidate once and for all.

During the Armed Forces comradeship dinner on 5 July 1985, I said we would become a modern country, and that within this framework, the Armed Forces will also play a modern, creative role. I said that they will never again be an instrument of illegal power, but rather that they will be perfect institutions of the state, comprised of citizens who chose to place their lives at the service of the defense of our people.

I said then that that offer of life should find a counterbalance in a free and democratic society, because that is what any officer willing to defend society deserves. We could not ask a man to give his life for injustice, authoritarianism, or for our impoverishment.

Today I repeat that, thanks to the transformation we are undertaking, and once peace is attained, the Armed Forces will become a privileged instrument for the consolidation of democracy, independence, and national development. The pride of being a military officer will thus be deeply entwined with the pride of being an Argentine. Thank you.

'Text' of Bill

PY140242 Buenos Aires DYN in Spanish 1752 GMT 13 May 87

[Text] Buenos Aires, 13 May (DYN) -- The executive branch today sent to the Chamber of Deputies a bill defining the due obedience principle, which could be debated at a plenary session this afternoon if a motion of the Radical Civic Union to ensure the required quorum is approved.

The bill was received at the Chamber of Deputies at 1220. Herewith is its full text:

Article 1. Those offenses described in Article 10, paragraph 1 of Law 23049, that may have been committed by those who, at the time were lieutenant colonels, junior officers, noncommissioned officers, or enlisted personnel of the Armed Forces, security forces, police forces, and jail guard corps, are not punishable because it is presumed that these actions were committed under the due obedience principle. No evidence whatsoever can change this presumption.

In these cases it will be legally presumed that these individuals acted under coercion, following orders from their superiors, without being able to review, oppose, refuse, or question the timeliness or legitimacy of such orders.

Article 2. The presumption established in the preceding article will not be applicable to rape, kidnapping and concealment of minors, forgery of public documents, or extortion.

Article 3. The present law will be applied ex officio, within 5 days of its promulgation, to all pending cases, whatever the status of the proceedings, by the court hearing the case. The court will immediately issue a resolution to comply with Article 252 Bis of the Military Code of Justice or will cancel the hearing to question the defendant.

If the court fails to take any action within the aforementioned deadline, its omission will produce the effects described in the previous paragraph.

If there is no evidence in the case files of the rank of the individual summoned for questioning, the deadline will be computed from the time the respective certificate or report is submitted to the court by the appropriate authority.

Article 4. In the cases in which the period established in Article 1 of Law 23492 has not yet elapsed, the persons mentioned in Article 1 of this law cannot be summoned to court for questioning.

Article 5. Any decision regarding application of this law can be appealed before the Supreme Court within 5 days of the date the notification has been served to the appropriate party. If no written decision has been issued, the 5-day period will be computed from the date it is presumed the court made its decision in accordance with the provisions of this law.

Article 6. Article 11 of Law 23049 (which punishes atrocious, aberrant acts) will not be applicable to the personnel described in Article 1 of this law.

Article 7. Be the executive branch so informed.

The bill is signed by Defense Minister Horacio Jaunarena and by Education and Justice Minister Julio Raul Rajneri.

JUDGE ORDERS OFFICIAL'S ARREST IN EXTREMIST CASE

PY131725 Buenos Aires TELAM in Spanish 0044 GMT 13 May 87

[Text] Buenos Aires, 12 May (TELAM) -- The Federal Police Superintendent's Division last night raided the private home and a country house that belongs to Francisco Basile, secretary of the Buenos Aires Provincial city council of Florencio Varela. Moron Federal Judge Juan Maria Ramos Padilla has ordered Basile's detention for his presumed connection with an ultraright extremist cell.

In the raid of Basile's house, police found small arms and other evidence that justifies the detention of this official who is at large. This was confirmed tonight to TELAM by a reliable source closely related to the judge. The Federal Police also raided two homes of Basile's close friends who could presumably also be members of the extremist cell. However, nothing was found in these houses that could justify their detention, the source added.

Ramos Padilla was still working tonight on this case which is called "specific illegal association." No more raids are scheduled for the time being, the source stated.

Basile is president of the Florencio Varela "17 October" group. He was proposed as a candidate for mayor in the latest Justicialist internal elections, and was apparently pointed out by Juan Carlos Roig, one of the main leaders of the extremist cell, as the instigator of the bomb attempt against former Mayor Julio Carpinetti.

JUDGE PLACES FORMER POLICE CHIEF UNDER ARREST

PY130046 Buenos Aires BUENOS AIRES HERALD in English 12 May 87 p 11

[Text] Moron Federal Judge Juan Maria Ramos Padilla yesterday ruled the preventive arrest of retired General Ramon Camps, former Buenos Aires police chief, in relation to the case investigating the terrorist activities of an ultra rightist grouping recently disbanded by the Federal Police.

The same applied to Camps' right-hand man while at the head of the police force, former Police Inspector Miguel Etchecolatz. The former and the latter were convicted to 25 and 23 years imprisonment respectively for human rights violations last year.

The magistrate considered them both prima facie responsible for illegal association and for "endangering the rule of the national Constitution."

In the ruling, the officers' involvement with several detained members of the terrorist grouping was considered, and it was reported that there is a link between the accused and Merlo police officers.

It is also thought that the grouping, which shielded its activities behind a group called the "October 17 National Movement," has connections with other sectors of the Buenos Aires police force, so copies of the files have been sent to Buenos Aires Governor Alejandro Armendariz.

In related news, the Federal Appeals Court yesterday extended the questioning of General Hector Gamen, retired, and Colonel Pedro Duran Saenz, retired, both detained on charges of human rights abuses under the jurisdiction of the first Army Corps, in what appears to be a new strategy undertaken by accused military officers.

The officers denied their responsibility, as well as that of their subordinates, for the crimes carried out at clandestine prisons by claiming that the latter were under the direct jurisdiction of cashiered General Carlos Suares Mason, who allegedly ran them through task groups coordinated by the 601st Intelligence Battalion.

The argument has been used by several of the accused in the First Army Corps file, including former intelligence agent Raul Guglielminetti.

The latter was yesterday put at the disposal of the Bahia Blanca Federal Appeals Court to be tried for applying torture in the city of Neuquen.

The Bahia Blanca Court ruled the release of retired Colonel Mario Alvarez, who between 1976 and 1977 was chief of a Fifth Army Corps intelligence commando. He was thus freed on most of the 78 cases he was charged with. He is the second of the five officers questioned by this court to be released.

Retired Lieutenant Colonel Oscar Paez was also questioned by the Bahia Blanca Court and he reportedly denied 40 of the 78 charges of human rights violations filed against him.

The Mendoza Federal Appeals Court, in turn, will today reopen the period of summonses, which it interrupted last April 22 "on Supreme Court orders," when the latter court requested the files of all human rights trials in order to undertake their study.

Meanwhile, San Isidro Federal Judge Alberto Daniel Piotti yesterday decided to postpone for 20 days the investigation into former Lieutenant-Colonel Aldo Rico's responsibility for the insurrection of Army officers at Campo de Mayo military base.

STRIKE CAUSES CLOSURE OF MORNING LA RAZON

PY140124 Buenos Aires BUENOS AIRES HERALD in English 13 May 87 p 1

[Text] (NA-DYN) -- The management of the daily LA RAZON yesterday announced the closure of its morning edition and the dismissal without compensation of 350 printers and journalists, directly blaming the move on strikes which began last Friday night.

The Labour Minister immediately order compulsory conciliation and the suspension of both all dismissals and strikes for a 30-day period in a bid to restore the situation to May 7.

The strikes were to demand the payment of April wages. After the newspapers failed to appear between Saturday and Monday the workers decided on Monday night to lift the strike prior to a Labour Ministry conciliatory meeting slated for yesterday but found themselves locked out yesterday. No management representatives attended the meeting.

The closure of LA RAZON's morning edition, which was started in May 1984 at the initiative of Jacobo Timerman, is the second such event in the last eight months, following the collapse of the daily TIEMPO ARGENTINO last September 8. Marcelo Capurro and Carlos Juvenal have since been editors.

LA RAZON DE LA PLATA, which first appeared 14 months ago, will also have to close down. The publishing company has a payroll of 1,067 employees.

Publisher Jose Pirillo said the non-appearance of the newspaper released him from giving severance pay and left him no alternative but to close the daily. However he insisted that there were no financial problems and that the evening editions would continue.

BRIEFS

TREASURY DEFICIT INCREASES -- (DYN) -- The treasury deficit rose to 819 million australs during the first quarter of the year, as a result of total revenues mounting to 3.3 million australs against 4.1 million australs worth of expenditures, the Treasury Secretariat reported yesterday. December's figures, which were disclosed with a significant delay, showed a 707-million austral deficit. This was the highest figure of 1986, doubling November's deficit which amounted to 392 million australs. The reports also stated that, according to the IMF agreement, total expenditures amounted to 3.1 billion australs, dropping around 400 million australs from the estimates for the first quarter of the year. [Text] [Buenos Aires BUENOS AIRES HERALD in English 12 May 87 p 3 PY]

DEA AGENT'S HOME ATTACKED TO PROTEST U.S. TROOPS

PY132346 La Paz La Red Panamericana in Spanish 1700 GMT 13 May 87

[Text] A terrorist attack has been perpetrated in Cochabamba to protest the arrival of U.S. troops for operations against drug traffickers. An EFE report received by our radio station from Cochabamba states that a self-styled commando (Alejo Calatayu) has claimed responsibility for the attack perpetrated against a Drug Enforcement Administration agent on 11 May. The attack was staged to protest the arrival of U.S. troops in Bolivia.

A woman, who phoned the daily OPINION, said the terrorist commando (Alejo Calatayu) last night detonated an explosive device at the home of a DEA agent as a reprisal for the Yankee invasion. The daily reports that at the beginning of the year another anonymous call claimed responsibility, on behalf of the same group, for the attack on the Tax Revenue office and the local Education Ministry office.

The U.S. troops arrived in Bolivian territory 1 week ago to participate in joint military and training maneuvers for the Bolivian Armed Forces. The Cochabamba Department police force has officially disclosed that a bomb attack was perpetrated on 11 May against a private home located in [name indistinct]. Judging from the evidence left at the site, the authorities believe dynamite was used in the attack that caused some damage to the home of a DEA official whose identity was not disclosed. The police added that there is no official information on who was responsible for this attack.

The arrival of the U.S. troops has prompted other acts of protest. The leftist Group of 17, formed by ministers, deputies, intellectuals, politicians, and union leaders, yesterday placed a wreath at the foot of the monument to Marshal Antonio Jose de Sucre, in El Estudiante Plaza in La Paz, to protest the arrival of U.S. troops.

ANDEAN PACT WANTS REGIONAL DRUG TRAFFICKING SUMMIT

PY140100 Paris AFP in Spanish 1555 GMT 13 May 87

[Text] La Paz, 13 May (AFP) -- Vladimir Gessen, vice president of the Venezuelan Government antinarcotics commission, said here today that a consensus has been reached among the members countries of the Andean Pact. The consensus is to attend a meeting of Latin American presidents in order to take a united stand toward the United States concerning the drug trafficking issue.

In comments to the press, Gessen stated that the member countries of the Andean Pact (Bolivia, Peru, Ecuador, Colombia, and Venezuela) cannot permit the U.S. Government alone to establish an antinarcotics policy for the area because these Latin American countries are suffering extremely serious consequences as a result of the drug trafficking problem. The Venezuelan congressman's opinion is that the Andean summit should be preceded by a foreign ministers meeting, which could be held within 10 days.

BRIEFS

FOREIGN DEBT FIGURES REPORTED -- La Paz, 30 Apr (AFP) -- The Planning and Coordination Ministry reported here today that the foreign debt contracted by Bolivia totals $5,215,000,000. [Summary] [Paris AFP in Spanish 1359 GMT 30 Apr 87 PY]

IRAQ INTERESTED IN BRAZILIAN-MADE MISSILES

PY131557 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 May 87 p 6

[By Roberto Godoy]

[Text] Iraq may buy Brazilian heavy tactical, long-range missiles worth $300 million. For 6 months now, the Iraqi Armed Forces Staff has been looking for this type of weapon on the world market of defensive weapons, following the USSR announcement that it would no longer produce the conventional Scud missile, which has been provided to both Iraq and its Persian Gulf opponent Iran.

The "package" would include an estimated 50 to 60 units, "with the respective launching systems." This information was supplied yesterday to O ESTADO by Colonel Daal-Ghani, of the 2d Division of the Special Forces, who is on a temporary diplomatic assignment in Europe. The objective is to have a vehicle that can launch non-nuclear projectiles over a 350-km range.

Avibras Aerospacial [Brazilian Airspace Industry], in Sao Jose Dos Campos, has the most advanced program in this field, the SS-300. The engineering prototype of the SS-300 was demonstrated to an Iraqi military authority last year while he was on a secret visit to Brazil. There is also the MG-II/150, which is being designed by a subsidiary of Engesa [Specialized Engineers Inc.].

Neither weapon can be produced immediately because at least 2 years are needed for development, static tests, and construction of the first units.

Iran and Iraq are now using the B version of the Scud, with a declared range of 450 km. The Bagdad suburbs have been hit on several occasions, as were some power generating facilities in Bandar and Chiraz in Iran.

This missile, however, has had recurrent operational problems, primarily because of the technology -- from the 1960's -- of its guidance system. The missile is 11 meters long and weighs 6.5 tons. The launching carriage, which provides information for firing the missile, has frequently had problems. In 1986, the USSR decided to suspend production of the non-nuclear Scud, converting the A and D versions into tactical missiles that use nuclear warheads.

However, since the USSR was the only regular manufacturer of that type of weapon, consumers outside the Warsaw Pact have been left high and dry. According to the London Institute of Strategic Studies, Iraq now has at most 20 Scuds. France is an alternative source of supply for Iraq. Aerospatiale representatives have displayed in Bagdad a simplified version of the Hades system, which was created to provide the French Strategic Command with a high precision, mobile nuclear missile by 1992. The estimated cost of 180 units is 10 billion francs. This investment could be subsidized by acquiring some of the know-how [preceding two words in English] and by undertaking a less ambitious project; for example, the conventional version of the missile which carries HE-type bombs. This project has already been approved by the Direction des Engin Atomiques. In April 1986, two generals of the Iranian Armed Forces Staff heard a report on this possibility.

POLICE, STREET PEDDLERS CLASH IN COPACABANA

PY140313 Rio de Janeiro Rede Globo Television in Portuguese 2255 GMT 13 May 87

[Text] Police and street peddlers have clashed in Copacabana, a district in southern Rio de Janeiro. The riot, which lasted 4 hours, started when Finance Secretariat municipal inspectors prevented the street peddlers whose permits had expired from selling their merchandise.

[Begin clip] In the late hours of the morning, the street peddlers blocked the district's main street, Copacabana Avenue, and the stores closed their doors. In the afternoon, police forces attempted to open the avenue up to traffic, and there were serious disturbances. Some of the policemen, who used tear gas in an attempt to disband the peddlers, were carrying machineguns. Some people were injured, and three street peddlers were arrested, but later released. [end clip]

Rio de Janerio Mayor Saturnino Braga has said the dragnet operation will continue until there are no street peddlers left in the city.

BRESSER, NEW BANK HEAD CHOOSING ECONOMIC TEAMS

PY111847 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 May 87

[By Lourival Macedo]

[Text] Finance Minister Luiz Carlos Bresser Pereira has said economic growth will not be affected by the foreign debt negotiations, the control of public expenses, or inflation. He believes a 3-percent economic growth rate is compatible with other political and economic goals, such as a $7 million trade surplus.

Bresser will complete the selection of his economic team tomorrow, when he will name (Maiulson Ferreira da Nobrega) secretary general of the Finance Ministry. This week, Finance Minister Bresser Pereira will complete the selection of the team with which he intends to direct the Brazilian economy. Tomorrow Bresser will install (Mauilson Ferreira da Nobrega) as Finance Ministry secretary general. This appointment is part of an agreement between President Jose Sarney and the PMDB [Brazilian Popular Mobilization Party]. The party named Minister Bresser Pereira to replace former Minister Dilson Funaro, so President Sarney is naming a northeastern citizen as Finance Ministry secretary general.

(Mauilson da Nobrega) is from Paraiba. This will be the second time that he will hold the post of secretary general of the Finance Ministry. He first occupied this post during President Figueiredo's administration. Nobrega stepped down to become director of the Brazilian-European Bank, Eurobras, headquartered in London.

Meanwhile, on 16-17 May Central Bank President Fernando Milliet will announce two choices for his own team. He has to appoint directors for the Central Bank's banking and capital market areas. The two posts to be filled are those left vacant by the resignations of former directors Ricardo Fernandes Silva and Luiz Carlos Mendonca. The choices are (Walquido Waldir Guaraldo), current chief of the BANESPA [Bank of the State of Sao Paulo] economic advisory team, and Oswaldo (Assis) Filho, current director of the (Planivec) [expansion unknown] stock brokerage firm.

With this new economic team, Minister Bresser Pereira will now set new national economic guidelines. He will try to stabilize prices and inflation as well as to implement a new government macroeconomic plan. With this new team, the government is also getting ready to receive an IMF mission that will arrive in Brazil today to draw a new report on the Brazilian economy. Minister Bresser believes this mission is very important for Brazil and the desire to obtain loans from the official foreign banks.

DAILY VIEWS PMDB CONSTITUTIONAL PROPOSALS

PY122030 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 May 87 p 5

[Text] According to the conclusions of a report published in last week's issue of CARTA SEMPREL DE BRASILIA, a publication with wide circulation in the most strategically important Brazilian offices, the following are the PMDB's [Brazilian Democratic Mobilization Party] major objectives for the Constituent Assembly: government control of the economy, job stability, a 40-hour workweek, authorization to exporpriate productive large land holdings in regions that are important for land reform, and the closure of the domestic market not only to computers but also to pharmaceuticals, biotechnology, microelectronics, and new materials.

CARTA SEMPREL carried a comprehensive analysis of a document approved during the PMDB national congress in August 1986. The document is entitled "The Seven Theses of the PMDB." On some subjects, CARTA SEMPREL -- "a publication that analyzes issues and trends" -- did more than a simple analysis, drawing conclusions that do not clearly appear in the party document. CARTA SEMPREL has reached the third floor of the Planalto Palace anyway, causing its most illustrious dwellers to panic. The theses of the PMDB, as they were published by CARTA SEMPREL, have been dubbed the "Bolivia plan." Planalto Palace officials are afraid that the Bolivian experience will be repeated in Brazil, because a leftist administration practically destroyed the Bolivian economy, rendering the exportation of tin a "nonprofitable" business.

But it was not only the privileged Planalto Palace dwellers who were frightened by the prospects mentioned in CARTA SEMPREL. Businessman Olacyr Moraes said the proposals are absurd, because they reveal total ignorance of the situation in Brazil. "This country does not want to work any longer. We already have Holy Week, Christmas, and Carnival...and they want to reduce working hours even further," he said. He believes the proposals will promote laziness.

Sao Paulo Stock Market President Eduardo da Rocha Azevedo was annoyed at the proposals. He said: "Brazil remains in a backward position." He mentioned the case of countries like France, Spain, China, and even the USSR, which are adjusting their economies. "If these countries are revising their economic concepts, it is because the experiment did not work. And Brazil wants to try the same experience now, 20 years later," he remarked. In addition, he noted, the government has been totally unable to run the economy.

The PMDB document was published by the party magazine and distributed to the party deputy chairmen in the Constituent Assembly through Senator Mario Covas, at the initiative of Senator Severo Gomes, who is president of the Pedroso Horta Foundation. As of this week, the magazine will be distributed to all PMDB delegates at the Constituent Assembly, to provide guidelines for debating and voting in the committees and subcommittees.

According to Deputies Euclides Scalco and Antonio Perosa, two PMDB deputy chairman, the PMDB needs the document, because the party did not perform any previous study of the Constitution. This way, on the basis of the debates and the conclusions of the PMDB congress, party leaders will be able to see if the PMDB delegates to the Constituent Assembly are supporting the proposals formulated by the party.

For his part, Senator Mario Covas held a 3-day meeting with the PMDB bloc to analyze the proposals the Constituent Assembly might approve. Codas will distribute a questionnaire with some 20 questions to get a clearer evaluation of the position of the delegates toward the most important and controversial issues.

According to the evaluation made in CARTA SEMPREL, the PMDB proposals "threaten to move the Constitution toward the left," and do not reflect "any unity within the PMDB." Again according to CARTA SEMPREL, the lack of criteria for the distribution of PMDB representatives among the various commissions makes the approval of the proposals difficult. CARTA SEMPREL points out, for instance, that the statist orientation of the party will hardly prevail in the Commission on Economic Order, despite the fact that the PMDB makes up the majority of its members. It explains that "most of its representatives are connected with the national capital." In other commissions, such as in the Workers Rights Commission, the proposals might be adopted.

CARTA SEMPREL says that "in fact, these proposals are at odds with the antistatist campaign." It then affirms that "in defense of the state economic action, the PMDB document says the free market cannot solve the country's social disparities" because of the degree of distortions in the markedly concentrated productive process.

On the question of labor rights, according to CARTA SEMPREL, the PMDB defends the 40-hour work week, elimination of extra work hours, job stability, and the prohibition of unjustified dismissal. The PMDB document, however, does not stipulate the number of weekly work hours, and only mentions "a reduction in weekly work hours." CARTA SEMPREL also refers to the full right to strike, with a constitutional redefinition of essential work categories, while the PMDB document only mentions "full right to strike."

Land reform is another controversial PMDB proposal. According to CARTA SEMPREL, the party proposes to set the maximum area that a farming enterprise may own at 300 fiscal modules [modulos fiscais], to prevent any action aimed at evading the regulations that define the latifundium (in practice, this means higher taxes for unproductive land). The party also wants to authorize the expropriation of productive latifundia, if they are located in areas that are important for land reform purposes.

According to the interpretation by CARTA SEMPREL, the PMDB advocates progressive taxes on all profits, for the purpose of increasing revenues and strengthening the federal system. Thus, all profits, including short-term capital profits and real estate transaction profits, will be taxed. Moreover, CARTA SEMPREL noted, the party advocates a constitutional definition of the closure of the domestic market, mentioning other sectors that can be protected, in addition to the computer sector, like pharmaceuticals, biotechnology, microelectronics, and new materials.

ARMY MINISTER CALLS FOR NATIONAL UNITY

PY120230 Rio de Janeiro O GLOBO in Portuguese 11 May 87 p 2

[Excerpt] Porto Alegre -- Army Minister General Leonidas Pires Goncalves yesterday blamed the crisis in the country on "the gap between the demands of society and the possibilities of the government." He charged that the government has been facing "heavy pressure in the form of strikes, and of excessive, undue demands by all social sectors, low- and high-level sectors alike. Pires advocted a social pact and national unity. He said: "Relations between the government and the nation have obviously deteriorated: They must be strengthened."

Pires made these remarks in Osorio, 120 km from Porto Alegre, during a Cavalry Day ceremony marking the 179th birthday of the cavalry's patron, Marshall Manuel Luiz Osorio. Pires also condemned the recent wave of rumors and noted that they were prompted "by ideological, economic, financial, and other interests."

The Army minister believes "the course Brazil is taking is not constructive," and that only through national unity "will we overcome this difficult time of crisis." Pires said: It will be pointless to discuss the presidential term or a moratorium if we are not receptive to the idea that only through mutual understanding will we achieve our great national destiny. What Brazil needs now is national unity, a national decision. We know that those nations that failed to unite around a basic idea to overcome difficult times have disappeared. There are many ways of achieving this goal, but first of all, it is necessary to put personal ambitions aside. A country lacking a national goal is doomed.

Although noting that there are other minor topics, Pires stated that an agreement is in the making to give President Jose Sarney the same term the Constituent Assembly will establish for future presidents. Clarifying his remarks, he said: "I am a man who just describes major guidelines. I am not the one who should establish a presidential term: This is a political issue." Justice Minister Paulo Brossard, who also attended the ceremony, denied the possibility of an institutional disruption. He said: "This is not what Brazilian society wants." [passage omitted]

CORRECTION TO FUNARO COMMENTS AT RETIREMENT

The following correction pertains to the item healined "Minister Funaro To Stay Until Replacement Chosen," published in the 28 April Latin America DAILY REPORT, page D 1, sourceline:

...Rio de Janeiro Rede Globo Television in Portuguese...(changing source "Rio de Janeiro Radio Globo" to "Rio de Janeiro Rede Globo Television")

BRIEFS

CACEX DIRECTOR SWORN IN -- Today in Brasilia Finance Minister Luiz Bresser Pereira swore in Namir Salek as new director of the Foreign Trade Department [CACEX]. [Summary] [Brasilia Domestic Service in Portuguese 2200 GMT 12 May 87 PY]

BOMB HURLED AT VALPARAISO NEWSPAPER OFFICE

PY140214 Paris AFP in Spanish 0122 GMT 14 May 87

[Text] Valparaiso, Chile, 13 May (AFP) -- An arson attack was perpetrated tonight against an office of the Chilean newspaper EL MERCURIO in Valparaiso, 140 km west of Santiago, when unidentified individuals threw a device that exploded on the 5th floor, causing some damage. Volunteer firemen promptly put out the fire, which started in the social department, next to the employee's club. No one was in the club when the attack occurred.

Police sources stated that the incendiary bomb was hurled at the office's backyard from Concepcion Hill, and that a raid was immediately launched to find the perpetrators of the attack.

Yesterday, unidentified individuals attacked a station of the secret National Intelligence Center [CNI], the political police of the government of General Augusto Pinochet, using explosives and submachineguns. No subversive organization has claimed responsibility for the attack.

HUMAN RIGHTS COMMITTEE, POLICE SIGN AGREEMENT

PY121933 Santiago Domestic Service in Spanish 1700 GMT 12 May 87

[Text] An important document was signed today by (Ricardo Martins) and Fernando Paredes, representatives of the Interior Ministry Human Rights Advisory Committee and the Chilean Investigative Police, respectively.

The agreement establishes that the Human Rights Advisory Committee will receive a daily list of the people arrested by the Investigative Police in Santiago and throughout the country. The police will also give the committee members permission to enter the police stations to see the detainees and to verify their physical condition and health. The committee members will also be permitted to arrange medical examination for the detainees before they are placed at the disposal of the court or released.

The agreement establishes that police inspector (Alan Catalan Catalan) will be the liaison officer between the police and the committee. The agreement permits committee members to enter all police jails. The document was signed by the Investigate Police commanders and by the following Advisory Human Rights Committee members: (Jorge Suetz), (Eric Silva), (Arturo Nutria), and executive secretary (Carlos Vatz).

FPMR DENIES INVOLVEMENT IN ATTACK ON WORKER

PY071934 Paris AFP in Spanish 1216 GMT 7 May 87

[Text] Santiago, 7 May (AFP) -- The clandestine Manuel Rodriguez Patriotic Front (FPMR) today denied kidnapping and beating worker Mario Mejias, who told the pope, during his recent visit, about the repression and poverty being experienced by the needy sectors of Chilean society. Commenting on the attack against Mejias, the FPMR has released a communique stating that the attack, which occurred early on the morning of 1 May, was cold-bloodedly planned by the security forces.

According to Mejias' relatives, he was kidnapped by an armed command which held him for many hours and beat him beyond recognition before abandoning him.

Mejias' wife has said that eight armed, unidentified men violently invaded their house and took Mejias away in his stationwagon. Some days later, the car was found in a ravine in a Santiago slum area.

The FPMR communique states that, in the face of these events, they want to emphasize that the FPMR organization has never attacked individuals or employed such methods, which are exclusively used by terrorist groups at the service of General Augusto Pinochet's government. Police sources have attributed this attack to the FPMR, which the government calls the armed faction of the Communist Party. The FPMR communique states that the people know the difference between the acts conducted by their organization and those conducted by other groups. It adds that all free Chileans must learn the difference between these acts.

Mejias was one of the workers who spoke to the pope during his holiness' visit to the workers' districts of Santiago on 2 April. Slum-dweller Luisa Riveros, who also denounced the repressive actions of the military regime to the pope, has received anonymous threats, and 1 week ago the courts granted her police protection.

CHRISTIAN DEMOCRATS WIN LAWYERS ELECTIONS

PY020020 Madrid EFE in Spanish 2059 GMT 29 Apr 87

[Text] Santiago, 29 Apr (EFE) -- The candidates of the opposition to the military regime won 91 percent of the votes in the election for members of the National Council of the Chilean Laywers Association during the Association's internal elections, which ended officially this morning.

The National Council of the Chilean Lawyers Association is renewed by halfs, therefore, nine of its members were renewed this year. Six representatives of the Independent-Christian Democratic slate, two of the leftist Marxist one, and one of the rightist slate were elected. The Independent-Christian Democratic slate won 5,571 votes, 61 percent of the total votes; the leftist Marxist slate won 2,788 votes, 30 percent; and the rightist slate won 620 votes, 9 percent.

The candidate who received the most votes was Aljandro Hales, mining minister during President Frei's administration (1964-70) and current president of the Human Rights Commission of the Federation of Professional Associations. Another Christian Democrat, Roberto Garreton, a lawyer of the Catholic Church's Solidarity Vicariate, won the second highest number of votes.

Commenting on the election results, Garreton said that 2 years ago, when the right won 48 percent of the votes in these same elections, the newspaper EL MERCURIO published an editorial stating that the elections of the Lawyers Association reflect the situation in the country. "I fully agree with EL MERCURIO, so therefore we assert that those who support the dictatorship do not amount to even 10 percent of the population," Garreton said.

DAILY REPORTS ON TRADE WITH SOCIALIST COUNTRIES

PY121855 Santiago LA SEGUNDA in Spanish 4 May 87 p 10

[By M. Isabel Diez]

[Text] Business is business, and is more powerful than ideologies. This is proven by the trade figures between Chile and the Communist countries. Although the figures are not spectacular, they should be taken into consideration.

Last year trade with those countries totaled $214.68 million.

LA SEGUNDA conducted research and obtained information from various sources, which confirmed that Communist countries did trade with Chile last year.

The PRC is the leader in this field. Trade with China totaled $130 million last year.

Pan Shontian, first secretary of trade of the PRC Embassy, told us, in good Spanish (it took him 5 years to learn it at the University of Beijing), that in 1986 PRC exports reached $100 million and imports $30 million. "We have good trade relations and a good future," said Shontian, who enjoys visiting Valparaiso and Farellones in his free time.

Chile is the fourth Latin American country that trades with the PRC, after Brazil, Cuba, and Argentina. The PRC buys copper, fish meal, wood, cellulose, wine, and saltpeter. It sells us cloth, fabric, bicycles, sewing machines, antibiotics, porcelain, tractors, cranes, spices, needles, and many other things. The list also includes crude oil from Dacking [as published].

Efforts are being made to balance the trade. Shontian said: "We want to sell ships, more textiles, and to open a market for automobiles, trucks, buses, and jeeps." The Chinese also want to invest in copper mines, cellulose, wood, and fishing.

Trade with Romanian has reached $13,111,000. Our exports reached $10,926,000 and imports $2,185,000. One of Romania's diplomatic representatives told us that "trade is not significant but we would like to improve it."

Romania sells us machinery, antibiotics, bearings, chemical products, motors, lightning conductors, thermometers, etc. It buys from us copper, timber, and fish meal.

Romania maintains diplomatic relations with our country only at the charge d'affaires level. Its office is located on Benjamin Street, in the El Golf district. It is a large French style house. Apparently there is little activity there, but the Romanian spokesmen said that they want to activate trade.

The Chilean-Romanian Mixed Commission has been operating since 1968. Trade agreements were made during the last meeting, which was held in mid 1986, with CODELCO [Copper Corporation], CAP [Pacific Steel Company] and CORDO [Production Development Corporation] SOQUIMICH [Chilean Chemical and Mining Association] also agreed with a joint research plan for fertilizing soil for beet production. Chile has decided to purchase 500 Romanian tractors.

The Yugoslav consul, Nikola Magdic (there is no embassy here), welcomes us with coffee Yugoslav style. To avoid confusion he told us: "We are basically a socialist country, but we are outside the blocs. We belong to the Nonaligned Movement."

With about 20 years of diplomatic activity in Latin America, he says: "I act like a Latin American. I like the environment, the weather, the Chilean people."

According to the Chilean Central Bank, trade with Yugoslavia reached $33,179,000 during 1986. Chilean exports reached $33,179,000 [as published] and imports were only $606,000. [paragraph continues]

Magdic said: "We are not expecting a mathematical adjustment but we are making efforts to balance the trade."

Yugoslavia buys fish meal, copper, zine concentrate, wool, and hunting ammunition. We import chemical products, vaccines, mirrors, glass, paper, telephones, flashlights, skis, shoes, and other products. The Yugoslavs would like to sell us automobiles, water filters, and agricultural machinery. The consul also promotes the beauty of the Adriatic Sea. Chileans do not need a visa to visit Yugoslavia.

The GDR is the next largest in trade volume. Trade between Chile and the GDR in 1986 totaled $26,993,000. Chilean exports totaled $24,435,000 and GDR imports were $2,558,000.

We export fish meal, timber, and copper to the GDR, which sells us steel plates, electric motors, agricultural machinery, synthetic fabric, and vials.

Rafael Silva, 34 years of age, represents Textima, which is a consortium representing 20 textiles of the GDR. Silva said the GDR Chamber of Foreign Trade was operating here until a few months ago, but as a result of political problems it was asked to leave. He added that the Chamber "speeded up relations with GDR companies."

Silva says the Germans are bureaucrats. They take a long time to answer telex messages. Their advantage is that their prices are below the prices of the western markets.

Chilean trade with Czechoslovakia had a negative balance for our country. In 1986 the Czechs sold us products worth $1,693,000 in fabrics, corn, imitation jewelry, medicine, door locks, saws, etc. The Czechs did not buy anything from Chile.

Trade with Hungary totaled $6,677,000. We only exported to them copper and imported vials and fabrics.

Another country that trades with Chile is Poland. In 1986 Poland bought books and boldo tea leaves worth $10,000. Poland sold us dynamite and a fishing vessel for $1,080,000.

The other countries which trade with Chile are the Soviet Union, Cuba, Albania, and Bulgaria. The trade with Cuba only involved a Cuban purchase of Chilean canned peaches worth $138,000. Trade with the Soviets was different. They sold us products worth $528,000: vodka (10,000 liters for $31,000), whisky, sodium bichromate, nickel, antibiotics, watches, hair cutting tools, bearings, and carbon. The Soviets did not buy anything from us.

POLICE SAY BONES BELONG TO PRE-COLOMBIAN INDIANS

PY231603 Paris AFP in Spanish 1516 GMT 22 Apr 87

[Text] Calama, 22 Apr (AFP) -- The Chilean police today reported that the human bones found in the northern desert of Chile belong to pre-Colombian Indians and are not of the 26 leftists who were executed when the Armed Forces took power 13 years ago. The relatives of the executed leftists, whose bodies were never found, have insisted on a prompt investigation to determine their origin and age. The human bones were found near Calama, a city 1,500 km north of Santiago.

The executed leftists, including a woman and a 16-year-old boy, lived in the region and were members or supporters of the socialist regime of Salvador Allende, who was deposed in September 1973. The relatives of the executed leftists have reported that the executions were ordered by General Sergio Arrellano Stark while touring the region on October 1973 and before the conclusion of the appropriate trials. Some 46 other people were also executed in the cities of La Serena, Copiago, and Antofagasta while Gen Arrellano visited them, the accusations points out. Arrellano, now retired, has denied these charges. However, other Army officers have ratified them.

The human bones were found on 20 April while the relatives and Solidarity Vicariate members were searching the area. According to the Solidarity Vicariate lawyers, the grave contains the bones of at least 14 people, and there is evidence that dynamite was used to destroy the bodies. Calama Judge Margarita Gordillo accepted the report made by the lawyers and ordered that the grave be protected while waiting for expert examination of the bones.

Initially the investigative police (civil police) reported that the skeletons were brought from somewhere else not long ago, and the local Carabineros (military police) added that they were of Indians from pre-Columbian times, and are about 500 years old. Press reports say the age of the remains were confirmed by former priest Jorge Sarracino, who is a current employee of the Calama municipality, and formerly ran an anthropological museum.

'PRESERVED' BODIES FOUND IN CALAMA DESERT

PY080419 Santiago Radio Chilena in Spanish 2200 GMT 7 May 87

[Excerpts] Nelson Castillo, lawyer of the Calama Human Rights Commission, reported that the bodies found here in the last few hours are totally identifiable. The bodies were found while earth movers were digging to install new water pipes in the Topater region, 8 km from downtown Calama. So far, four bodies have been found but, according to witnessnes, there are many others buried around the place. Castillo reported that the local judge ordered the transference of the bodies to the morgue in order to investigate the cause of their death. He added that the bodies are identifiable and that in the next few hours their presumed relatives will proceed to identify them. [passage omitted]

The lawyer added that the bodies were found in an isolated area near the road to San Pedro de Atacama, far from where another grave containing bodies of people executed in October 1973 was found.

Castillo explained that the salty, dry desert soil has allowed the perfect preservation of the bodies for 13 years. [passage omitted]

According to witnesses, one of the bodies seems to belong to an 18-year old girl.

BRIEFS

TRADE BALANCE SHOWS SURPLUS -- According to the Central Bank, the Chilean trade balance for the first 3 months of this year showed a surplus of $216.4 million. The report states that in March exports amounted to $412.7 million, while imports amounted to $316.7 million, which represents a $96 million surplus. [Summary] [Santiago Domestic Service in Spanish 1030 GMT 9 May 87 Py]

ARMED GROUPS CLASH WITH TRAFFICKERS, OCCUPY TOWNS

PY131423 Lima Radioprogramas del Peru Network in Spanish 2335 GMT 12 May 87

[Relay from Tarapoto by Paco Riveros]

[Text] According to unofficial sources, two subversive groups this morning occupied two towns in the Alto Huallaga region. After several confrontations with drug traffickers, an armed group has reportedly occupied the town of Uchiza and ordered the leaders and foreigners to leave.

It was also reported that (Tiuma), a town located 150 km from (Juncuia) on the banks of the Huallaga River, in the Mariscal Caceres Province, was also seized by an armed group. According to people arriving from those places, this subversive uprising is due to the abuses by drug traffick leaders against coca producers, who are being paid very low prices for their products. For this reason, the coca producers have joined the subversives to protect their interests.

The police are outnumbered by these groups and have been unable to take action. it has not been possible to learn the number of casualties on both sides.

Technicians and experts of the principal Latin American countries will arrive next week in the city of Tarapoto to participate in the international conference on agronomy sponsored by the National Agrarian Organization. This conference will discuss corn production. Representatives from Ecuador, Colombia, Mexico, El Salvador, Costa Rica, Venezuela, Brazil, Argentina, Panama, the United States, and Canada have confirmed their participation. The objective of this international conference is to assess aspects and methods of increasing production of this cereal. The conference will be held between 19 and 22 May.

SHINING PATH THREATENS TO KILL 40 APRA MEMBERS

PY140049 Madrid EFE in Spanish 0442 GMT 13 May 87

[Text] Ayacucho, 12 May (EFE) -- The Maoist "Shining Path" group, a terrorist organization, today threatened to escalate its violent actions and kill 40 members of the ruling "APRA" [American Popular Revolutionary Alliance] party to mark the seventh anniversary of the beginning of its armed struggle.

In leaflets distributed throughout Ayacucho, the "Shining Path" states that "we will not pardon the genocide of the heroes at the penitentiaries," referring to the repression in June 1986 of the rebellions that broke out in several penitentiaries. Some 300 inmates, who were jailed for being involved in terrorist actions, were killed in these incidents.

The "Shining Path" announced that on 18 May "there will be surprises" to mark the seventh anniversary of the beginning of its armed struggle. The "Shining Path" burned some ballot boxes in the town of Chuschi in Ayacucho Department during the Peruvian general elections in 1980 when Fernando Belaunde won.

In a passage, the leaflets state that "there is a list of 40 APRA members who will be killed by us." Meanwhile, the number of police forces who are standing guard throughout Ayacucho has been increased over the past few days.

POLICE DEFUSE SEVERAL BOMBS PLANTED IN LIMA

PY131427 Buenos Aires TELAM in Spanish 0231 GMT 13 May 87

[Text] Lima, 12 May (TELAM-ANSA) -- Specialized police from the Republican Guard today aborted a number of attacks, prepared by the Maoist Shining Path subversive group, by defusing powerful bombs planted in different zones of Lima. The Lima police this morning reported that the bombs were placed on different streets in downtown Lima by subversives, but that the opportune intervention of the authorities prevented the terrorists from causing property damage or casualties.

The police report adds that these attacks follow the escalation of terrorist activities by the armed branch of the Peruvian Communist Party celebrate the seventh anniversary of its armed struggle in the country, to be celebrated on 17 May.

MRTA SAYS POLITICAL AMNESTY NECESSARY FOR TRUCE

PY140209 Paris AFP in Spanish 2303 GMT 13 May 87

[Text] Lima, 13 May (AFP) -- Tupac Amaru Revolutionary Movement (MRTA) spokesmen being held in detention in a penitentiary have told a local morning daily that if a truce or an armistice is sought, the government must take the first step by granting a total political amnesty.

Leaders of the committee of MRTA political prisoners at the Lurigancho Penitentiary have stated that the new initial step would be to grant unrestricted freedom to all political prisoners. Second, the APRA (the ruling party) must show that it wants to solve the country's structural problems, stop paying the foreign debt, and dissolve the antisubversive groups involved in the dirty war.

Spokesmen Manuel Ramirez and Jose Mamani (noms de guerre) told the newspaper LA VOZ at the 11-B wing in the Lurigancho Penitentiary, that, as things stand now, we do not expect the APRA party to make any gestures toward pacification. After recalling that as soon as the new government was inaugurated in August 1985 the MRTA raised the need to hold talks, mentioning amnesty as a condition, the spokesmen pointed out that a massacre ensued on 18 June 1986 and the dirty war continued. In other words, the government has not given any response other than blood and fire, the spokesman emphasized.

BRIEFS

AIDS CASES REPORTED -- Health Minister David Tejada on 9 May reported that there are 43 AIDS cases in Peru. [Summary] [Lima Panamericana Television Network in Spanish 0400 GMT 10 May 87 PY]

FRG DONATION TO LIMA -- Lima Mayor Jorge del Castillo has announced that the FRG has donated DM 1 million to the Municipality of Lima to be used for the city's cleaning programs. [Excerpt] [Lima Radio del Pacifico in Spanish 1300 GMT 8 May 87 PY]

LUSINCHI TURNS DOWN BARCO PROPOSAL ON BORDER

PA120104 Caracas Television Service in Spanish 0000 GMT 12 May 87

[Text] President Jaime Lusinchi stated this evening at Miraflores Palace that Colombia's request on settling the delimitation of marine and submarine areas is not acceptable. The Colombian proposal is based on Agreement 1039, which excludes topics concerning sovereignty. President Lusinchi announced the national government's position following a top-level meeting at the palace.

President Lusinchi began consultations this afternoon by inviting former Presidents Rafael Caldera, Luis Herrera Campins, and Carlos Andres Perez to a meeting. The meeting was also attended by Congress President Reinaldo Leadro Mora, Democratic Action President Gonzalo Barrios, and Foreign Minister Simon Alberto Consalvi. The president discussed with the officials the proposal presented by Colombian President Virgilio Barco on renewing talks between the two countries through a conciliatory effort.

Explains Rejection

PA120128 Caracas Television Service in Spanish 0055 GMT 12 May 87

[Text] We have a last-minute report on President Jaime Lusinchi's statements on Venezuela's position on Colombia's proposal to use a commission to seek a settlement on the delimitation of marine and submarine areas in the Gulf of Venezuela.

[Begin Lusinchi recording] First of all, the Colombian proposal surprised us because it was presented suddenly, and the Venezuelan Government had no information about it. Second, we think the proposal is not viable because the treaty it mentions is not the most appropriate to handle the problem which they want to turn over to a commission. Article 2 of the treaty signed in 1939 has a provision to exclude matters that pertain to the vital interests, independence, and territorial integrity of the signatory states. Consequently, the letter and spirit of the law should always be clear; it is obviously not appropriate to implement the treaty for this specific case. Third, I want to state that Venezuela -- as always -- is willing to talk with the sister Republic of Colombia about problems that affect our bilateral relations. This, of course, includes all border problems. We think normal diplomatic channels should be used. We are inclined to work for progress in this way. [end recordig]

Consalvi Meets Deputies

PA131623 Caracas Television Service in Spanish 0000 GMT 13 May 87

[Excerpt] In Congress, Foreign Minister Simon Alberto Consalvi has reiterated that any talks [with Colombia] on marine and submarine areas should be government-to-government talks. Foreign Policy Committee of the Chamber of Deputies agreed the Colombian proposal is hasty.

[Begin recording] [Reporter Martin Pacheco] The Chamber of Deputies' Foreign Policy Committee reached this conclusion this afternoon after questioning Foreign Minister Simon Alberto Consalvi for more than 2 hours. Asked about the announcement by a former Colombian foreign minister, who said Colombia would go to an international court to resolve the issue, the Venezuela foreign minister was very clear:

[Consalvi] As a minister, I have to act within the limits expressed by the president of the Republic. I will not add a single word about this. This is the Venezuelan position. As the president said, Venezuela is greatly interested in maintaining friendly relations with Colombia and in achieving a harmonious solution to these issues.

[Pacheco] Various topics were broached at the meeting, during which the foreign minister gave extensive explanations to the legislators about the guidelines of our foreign policy and the positions adopted at various international forums. According to the foreign minister, they reflect coherence and seriousness regarding the world's problems. The Central American topic was naturally discussed. The foreign minister briefed the deputies on the latest meetings of the Contadora and Support Groups in their search for a peace agreement in the region. On their part, the legislators were satisfied with the foreign minister's explanations. [passage omitted] [end recording]

BRIEFS

COCAINE SEIZED ON SHIP -- The National Guard last night seized two bundles with 35 kg of cocaine paste [pasta de cocaina] in Amuay Bay, Falcon State. The drug was found on the ship Guanaco when it was about to sail for Baltimore, in the United States, with 100,000 tons of asphalt. The 36-man crew was arrested pending an investigation. [Summary] [Caracas Television Service in Spanish 1600 GMT 30 Apr 87 PA]

NEW ENVOY FROM PHILIPPINES -- The Government of Philippine President Corazon Aquino has appointed Amante Manzano ambassador to Venezuela. In the near future he will present his credentials to President Jaime Lusinchi, whose government has already granted its approval. [Summary] [Caracas EL UNIVERSAL in Spanish 24 Apr 87 p 1-23 PA]

JOURNALIST HOSTS 'SPECIAL EDITION' ON NICARAGUA

PA130420 [Editorial Report] Panama City Circuito RPC Television in Spanish at 0300 GMT on 12 May 1987 broadcasts its regular 2-hour "Special Edition" program hosted by journalist Mayin Correa with guests Panamanian Legislator Arturo Vallarino, journalist Homero Londono, UNO [Nicaraguan Opposition Unity] representative Alvaro Altamirano, and Dr Fernando Nunez Fabrega, a businessman. Correa says that Nunez Fabrega, a Panamanian, was set by the Nicaraguan Embassy as its representative. Today's program features the first of a two-part special report entitled: "Inside Nicaragua."

Correa opens the program by introducing her guests, and then introduces the "Inside Nicaragua" special report. Correa comments over the film report which includes pan and wide shots of streets and markets in Nicaragua. As the film report is presented, Correa summarizes two previous visits that "Special Edition" reporters paid to Nicaragua. Then she reports on the 25 April-2 May visit that program reporters paid to Nicaragua to put together the "Inside Nicaragua 87" special report. She stresses that the Nicaraguan Government refused to participate in the report and did not allow the reporters to interview any government officials. As Correa continues summarizing the content of the report, the camera shows placards with CUS [Confederation for Unity of Trade Unions] slogans saying: "Where is our freedom?" and "MICOIN [Domestic Trade Ministry] Means Hunger."

The report then includes a brief interview with Enrique Bolano, president of the Nicaraguan Higher Council of Private Enterprise. Bolano says Panama should analyze what has happened in Nicaragua to prevent communism from entering the country and adds: "This communist system is very sad; it is very sad to be committed to international communism." "As we well know, the first thing communists do is introduce ration cards and poverty. They ration food, control the population through hunger, and introduce extensive militarism. Like all communists, we are experts in weapons, wars, and militarism in general."

The report also has a brief interview with labor leader Alvin G. Rivers. Rivers summarizes the demands that workers presented during the 1 May celebration. He says: "I want you to know that in this country the government systematically denies legal status to the labor unions we try to register. In addition, there are labor unions which are legally formed according to our Constitution that are not recognized for political reasons." The camera moves away from Rivers and shows a placard with the slogan: "We do not want wages that leave us hungry and poor."

The report continues with a brief participation by FELAP [Latin American Journalist Federation] Vice President Ignacio Torres. He says he has journalist friends in Panama whom he always told that the day Nicaragua had a people's government it was going to have freedom of the press too, "but," he says, "the opposite thing happened. I can say with absolute conviction there was more freedom of press in Nicaragua during Somoza's times than today. I can also say with absolute conviction there is more freedom of the press in Pinochet's Chile than in the Nicaragua of the FSLN."

Then Lino Hernandez, president of the Human Rights Commission of Nicaragua, talks about the teaching methods used in Nicaragua. As he explains, the camera presents a closeup of math textbooks. The books show objects used to teach how to add. They include rifles, hand grenades, etc. In addition, Hernandez says that in language classes the commonly taught words are verbs like: "execute, annihilate, and kill."

The filmclip shows a closeup of Mario Rappaccioli, leader of the Democratic Conservative Party of Nicaragua [PCDN], who talks about repression against political parties. He says: "Once the PCDN national or departmental leadership visits municipalities and small regions, the Sandinists arrive in those areas to intimidate the local leaders. Therefore, fear is implanted in Nicaragua." The report continues with a brief interview with Msgr Miguel Obando y Bravo, who talks about the church members who have been banned from the country.

Then, Enrique Sotelo Borgen, a lawyer, talks about the way the state security organizations obtain confessions from the prisoners. he says: "They use physical or psychological torture to obtain confessions. I know this, not only because prisoners have told me about it, but because I spent 14 days in the state security dungeons." Sotelo Borgen then goes on to describe conditions in jails. The first part of the film report on "Inside Nicaragua" part I ends here.

Correa begins the conversation with her guests. After Londono, Vallarino, and Nunez Fabrega give statements about their general impression of the social situation in Nicaragua and about what they observed during their stay in the country, Correa turns to UNO representative Altamirano to find out about his impressions of Nicaragua. Correa specifically questions him about the number of Nicaraguans in exile. Altamirano says there are approximately 700,000 Nicaraguans in exile and adds that this type of television program is only shown abroad because the Nicaraguan Government does not show them to the Nicaraguan people. He also says that the so-called U.S. economic boycott against Nicaragua is a myth because the Nicaraguan Government buys whatever it needs through Third World countries, including Panama; the Sandinists simply want to exploit the image of a country which suffers from the United States' boycott. Correa says she has receipts which prove the Nicaraguan Government recently purchased $3 million worth of U.S.-made medicine through the Free Zone in Panama. Altamirano also says the war in Nicaragua has prevailed because the government turned down the opposition sector's proposals for a negotiated solution.

Jose Espinoza explains that the Nicaraguans face deep social, economic, and political problems. He refers to the workers extremely low salaries and adds that the distribution of staples is chaotic. Espinoza says the workers' protests are foiled by the Sandinist government, which violates all their rights.

Vallarino, Londono, and Nunez Fabrega refer to their personal experiences on labor unions' activities in Nicaragua and the social, economic, and political situation. Vallarino, Londono, and Nunez talk about their contacts with labor leaders.

Altamirano says the Marxist Sandinists have not been able to consolidate their control over the labor unions. However, all kinds of mechanisms are being implemented to tighten the government's control, and this includes ration cards and control of salary levels. Altamirano cites an article published in Panama City LA PRENSA on 6 May which says workers' salaries will be established through labor contracts and peasants will be allowed to sell their produce directly to the people. Altamirano adds that production levels in the country are low and everyone must contribute with a day's work; likewise, factory activities are constantly interrupted because the workers are harangued on political topics.

Lino Hernandez says all the news media reports are controlled by the Sandinists. He adds that there are approximately 7,000 political prisoners in the country and 2,300 to 2,500 accused of other crimes. Hernandez refers to education in Nicaragua and shows a mathematics textbook printed in the GDR which uses weapons and war materiel to teach addition and subtraction.

Vallarino says the Nicaraguan Government has admitted that they have approximately 12,000 political prisoners, but the gravest thing is that 16-year-olds are now considered adults with a right to vote and fight for the country. Vallarino says he talked with professionals in Nicaragua who state that university education is chaotic, with no control whatsoever. He thinks the country's leaders are Marxist-Leninists but have not been able to impose their system in the country because you can control the news media but not the people.

Nunez Fabrega also comments on education, and says that textbooks reflect reality in Nicaragua but this does not mean there is a totalitarian regime in Nicaragua. He also says former Costa Rican President Luis Alberto Monge asked the people to contribute a day's work to solve the economic crisis in their country.

Londono also comments on the education system in Nicaragua and says the students are brainwashed because they are taught that Marxism is the only alternative for Nicaraguans. He also talked with Nicaraguan mothers who complain because education in Nicaragua is extremely expensive -- contrary to what existed during the Somoza regimes.

Altamirano also refers to education in Nicaragua and says the same system is used in the GDR and Cuba. The youths' hearts and minds are poisoned with this type of education, but they could easily use other examples to prevent this type of poisoning. He also talks about workers' contribution with a day's work and adds that Nicaragua cannot be compared with Costa Rica. Altamirano states that the Nicaraguan regime has many clandestine jails, and prisoners are tortured and killed. He adds that prisoners are constantly reported missing or killed while trying to escape, but everyone knows this is simply a ploy.

Lawyer Enrique Sotelo Borgen says Nicaraguan lawyers are afraid to defend people in court accused of supporting the contras. He refers to his cases -- the most famous one was his defense of Eugene Hasenfus -- and his personal experiences as a prisoner.

A video report is shown on people's statements about prisoners' plights and Sandinist jails, where people are harassed, tortured, and beaten mercilessly. Another video report is shown of Enrique Sotelo Borgen showing documents which prove hardly anyone is acquitted by anti-Somozist People's Courts.

Vallarino says strict military controls are enforced throughout the country despite Sandinist denials. He adds that most of the judges have military ranks so justice is enforced according to their guidelines.

Nunez Fabrega says he cannot say much because there is not a lawyer who is not acquainted with enforcement of justice in Nicaragua. Londono emphasizes lawyers' fear that they will be arrested because they defend those accused of being contras. He adds that government collaborators accuse anyone who criticizes the government.

Vallarino refers to the high number of tuberculosis cases in Nicaragua; and Correa reads a clipping in which the Nicaraguan Government admits that tuberculosis cases have increased considerably.

Correa asks Altamirano about Sandinist Defense Committees and their role in the government's espionage network. Altamirano says people have furiously rejected this. Likewise, many Somozists have joined the repressive organization so things have not changed much. The Sandinist government's plans to implement an espionage network in every city, neighborhood, street, house, etc. have failed.

Correa asks why other countries' news media were allowed to go to Nicaragua and film this type of program. Altamirano says freedom of the press is only applicable to the foreign news media because this type of program is not shown in Nicaragua. Altamirano says constitution articles were suspended immediately after their approval so the government could continue its strict controls. He adds that the Sandinists must be sorry they killed Somoza because his name is still being used, even to accuse people in court. Altamirano says the Sandinists have forgotten that many leaders were Somozists in the past, and this includes Sergio Ramirez Mercado, Miguel D'Escoto Brockman, and others. Altamirano emphasizes: "We are not mercenaries; we are Nicaraguans who have the right to struggle."

PCC OFFICIAL ON CANAL IMPACT ON U.S. RELATIONS

PA131247 Panama City ACAN in Spanish 1725 GMT 12 May 87

[Text] Panama, 12 May (ACAN-EFE) -- Panama Canal Commission Deputy Administrator Fernando Manfredo said that as the year 2000 approaches, the relations between the United States and Panama may become tense because of the interoceanic canal which they now jointly administer. The Panamanian official told ACAN-EFE that only a "harmonious" relationship between Panama and the United States would guarantee a successful future for the canal. The Torrijos-Carter Treaties, signed in 1977, stipulate that by the year 2000, the administration of the canal, but by the United States in 1914, will be totally in Panamanian hands.

Manfredo said that the years between now and 2000 are going to be "very difficult", and bilateral relations could become more and more tense because of the various "political interpretations" of the law. He emphasized that "undoubtedly they are both (the United States and Panama) satisfied with the current administration and operation of the canal; the differences lie in the interpretation of the treaties."

As an example of the situation, Manfredo mentioned the current difference of opinions between Panama and the United States concerning who has to finance the widening of the Culebra Cut -- the canal's narrowest portion -- at an estimated cost of $400 million, that must be finished before 1999 to preserve the canal's effective operation. Panama maintains that the United States must finance the widening operations as part of its responsibility under the canal treaties to deliver the canal in optimum conditions. The United States Government's position is that the work must be paid for by Panama because the benefits will accrue as of the year 2000, and besides, U.S. law forbids financing of any work on the canal with U.S. taxpayers money.

The International Merchant Marine, most of whose cargo is bound for or coming from the United States, has not accepted the possibility of an increase in canal tolls to pay for the widening of the Culebra Cut.

Manfredo did not discount the possibility that similar problems will come up in the next 14 years, and he said it was necessary that Panama and the United States have discussions to reach "compromises" that will ease the transition stage without hindering canal operations. He said the foreign ministries should reach the necessary agreements so that -- among other things -- the United States will guarantee the authority of the first Panamanian administrator and Panama, on its part, will commit itself to not diminishing the canal's efficiency.

The Torrijos-Carter Treaties stipulate that as of 1990, the canal administrator, currently a U.S. citizen, shall be Panamanian. The canal Board of Directors, however, will continue to have majority of U.S. citizens. According to Fernando Manfredo, "the United States, suspecting that perhaps the new canal administrator would not look after its interests, might be tempted to reduce the new administrator's authority and budget management capacity." "The Panamanian administrator should not be just a figurehead," Manfredo added, after explaining that during his 8 years as canal administrator he has made efforts to prove that Panamanians are efficient workers. He did admit, however, that the best recommendation of the Panamanians sense of responsibility and capability to administer the canal "is a democratic country, capable of governing itself." "The canal is not an island" and it could be affected by political and social events in the country, he said.

Fernando Manfredo, who hopes to be "resting in the Pacific," when the difficult times come, recalled the "moral responsibility" which the United States and Panama have toward world trade and their mutual interest to keep the canal functioning, which goes beyond mere personal interests.

EDITORIAL REJECTS ROLE IN U.S. PLANS AFTER 2000

PA131820 Panama City MATUTINO in Spanish 12 May 87 pp 19, 14

[Article by Miguel Angel Picard Ami]

[Excerpt] [Passage omitted] The issue is not whether our country, by virtue of its technological or financial resources, has the "defensive" capacity (meaning within the U.S. global strategy), to take over the defense and security of the canal. What the executives should have asked, but did not, because they were not thinking about the fatherland's destiny, is: What should Panama's position be with respect to these responsibilities?

Panama is a nonaligned, Third World, developing country that is open to all the world's peoples. That is why we received solidarity when we were fighting for a fair treaty.

Therein lies the formula for our security and for ensuring that Panama is capable of administering and defending its canal.

The enemies of the United States and those who oppose its imperialist maneuvers should not implicate us in warlike adventures or military pacts.

Like them, [not further identified] we are signatories of the "Neutrality Pact" that require the canal be open to all the ships and flags of the world that transit the canal peacefully and for innocent purposes.

If we remain true to the foreign policy that Panama has maintained and continues to maintain on the side of peace, the free determination of peoples, the Contadora movement, and the nonaligned countries; if we reinforce our commercial and diplomatic relations with all countries, regardless of their systems of government; if we respect peoples' right to direct their destinies; and if we maintain the stature and position of respect that Torrijos restored to Panama and that our Defense Forces have ably defended, we will not need pacts beyond the year 2000, because Panama and its soldiers will have the professional and tactical ability to respond to any attempt to endanger the canal.

What we cannot do is remain part of the strategic or logistic plans of the United States after the expiration of the Torrijos-Carter Treaties.

The Neutrality Pact and our country's permanent state of neturality must be upheld. The United States has pledged to the world that it will honor that neutrality.

If this is not done, we will not need millions upon millions [currency not specified] for aggressive structures. [sentence as published]

This is a country of peace, one that seeks peace in the area. That is another guarantee of a secure canal without large-scale military emplacements To the extent that we keep our promises to our people, who fought for the canal with this in mind, and that peace is achieved -- and the Contadora Group is working on this -- there will be no need for scenes of war or guerrillas.

This is the duty we must fulfill: Ensure that our conquest of the canal will serve to promote our country's development and to meet its needs. At the same time, as long as we adhere to the proper guidelines in our position regarding the Central American conflict, we will help the Central American peoples to achieve peace and resolve their problems.

This requires work and effort, and above all, clarity of ideas. We must reject the subservient position that calls for us to remain on the U.S. warmongering bandwagon, for us to place our country at the service of that country's security.

Our duty is to Panama, and we must think like Panamanians.

Nonalignment, Third World affiliation, a struggle for total liberation, and the rejection of any future military pact with the north is the position of dignity that our country has taken and will maintain despite those who preach servility and plunder [rapina].

BELIZE

FORMER PRIME MINISTER CLAIMS RIGHT TO USE MEDIA

FL132202 Bridgetown CANA in English 1736 GMT 13 May 87

[Text] Belize, May 13, CANA -- Former prime minister of Belize, George Price, has complained that his party is not being given a chance to use state-owned radio and private television stations to express its views on national issues. Price made the complaint in an interview with CANA during which he said the United States might have had a hand in his party's 1984 electoral defeat, called for a compassionate approach to the refugee problem and predicted his party would win the next general election. It was the first local media interview Price has given since he lost his parliamentary seat and the government.

He told CANA the United Democratic Party (UDP) government continued to deny the opposition its constitutional rights to express its views on national issues through the official media. He said the government barred the opposition from the use of state-owned Belize Radio One and the 15 private TV stations to air its views.

Opposition sources say the stations face the threat of having their licenses revoked if they broadcast opposition-sponsored programmes.

Price's party won only 7 of the 28 seats at stake in the last elections, losing one when a former PUP minister of energy and communication, Louis Sylvestre resigned in the face of corruption charges.

On whether or not he thought Washington was instrumental in his party defeat, Price said: It is possible in the light of recent events nationally and internationally. He added: If it is so, then it is the price one paid for upholding national and international law. He noted Belize's opposition to the 1984 U.S.-led invasion of Grenada, which he said violated international laws of non-intervention and peaceful settlement to disputes.

Price asserted that support for Prime Minister Manuel Esquivel's government was dwindling and that the PUP would be back in power after the next poll, constitutionally due in 1989.

He defended his party's decision to allow several refugees from strife-torn El Salvador and other Latin nations to settle here, despite charges that this had contributed to escalating crime. Price linked the increase in crimes by aliens to the entry of more immigrants during the time of the present administration. We must not forget that we are a nation today as a result of immigration in our history, he told CANA. Because of this historic situation, there should be a compassionate approach to the problem without in any way diminishing the attributes of nationhood. The Belize Government has reported plans for a new policy on refugees.

COSTA RICA

ARIAS ASSESSES PROSPECTS FOR PEACE PLAN

PM140847 Oslo ARBEIDERBLADET in Norwegian 7 May 87 p 18

[Undated interview with President Oscar Arias by Ester Nordland: "No Peace Without Democracy"; date and place not given]

[Text] San Jose -- "I think that it will be difficult to achieve a peace settlement, but this does not mean that it is impossible," Costa Rican President Oscar Arias, the architect behind the new peace plan for Central America, said in an interview with ARBEIDERBLADET. He said that he has been careful not to point out one single country as responsible.

On 10 May the president will leave Costa Rica at the start of a round trip to central Europe to gather international support for the so-called Arias plan. In February the presidents of Guatemala, Honduras, El Salvador, and Costa Rica held a preparatory meeting at which they went through the plan, and on 25 June this year Nicaragua will also be allowed to take part in the negotiations.

ARBEIDERBLADET was allowed to accompany the president on an engagement at a school in the rural town of Heredia outside San Jose -- where the president himself lived as a child. During the course of the day we were able to speak to the president. We asked him why he attaches such importance to a democratization of the region in his proposal.

"There will be no peace if there is no democracy. Costa Rica is the oldest democracy in Latin America; we are approaching 100 years. We feel that we have a moral authority which makes it possible for us to ask others to make an effort to achieve democracy in the region."

[Nordland] Nicaraguan Vice President Sergio Ramirez told ARBEIDERBLADET that he takes a very positive view of the peace plan, because it respects the legitimacy and sovereignty of existing governments and takes account of the individual countries' historical traditions. Your comments?

[Arias] I want to produce a moderate and fair plan. It is not directed against one single country. We knew in advance that the other governments would oppose the plan if we questioned their legitimacy. We also knew that the government in Managua would say "no" to the plan if we asked it to negotiate with the contras.

[Nordland] The plans talks of amnesty, dialogue, and a ceasefire. Is it not difficult to have the same model for such different countries? Would it not have been better to work out individual solutions?

[Arias] No, that would mean bilateral agreements. We want a uniform agreement for all the Central American countries. But you are right when you say that it will be difficult. I have no illusions. The Contadora Group took more than 4 years trying to achieve agreement without managing it. I do not think that it will be easy for us to achieve agreement in the course of the 6 to 8 hours at the 25 June summit in Esquipulas. It all depends on whether the state leaders invest their goodwill in the meeting.

[Nordland] UN Secretary General Perez de Cuellar has little faith in the desire for peace of the Central American heads of state.

[Arias] On his round trip through Central America he saw few signs of a desire for reconciliation and a lot of obstinacy. It is impossible to negotiate in such a climate. [Arias ends]

President Arias denied that he has been the object of North American pressure, but added that the Americans have had their comments to make.

He said that the United States fears that the plan is too radical and that it will not lead anywhere. "No one has said openly that they are against it. But there are many ways in which to kill. 'Each man kills the thing he loves.... 'The coward does it with a kiss, 'The brave man with a sword!'" President Arias said, quoting Oscar Wilde. He said that it would be better if those who are opposed to the plan were to say so plainly, rather than to drag out the negotiations by passing endless resolutions. Arias said that El Salvador and Honduras will have the greatest difficulties in accepting the plan.

Departs for Europe

PA091640 Panama City ACAN in Spanish 1605 GMT 9 May 87

[Excerpt] San Jose, 9 May (ACAN-EFE) -- This morning, President Oscar Arias began a 27-day tour for six European countries to promote Costa Rica's Central American peace plan.

Arias will make stops in Miami and New York and will then take a TWA flight to Lisbon, where he will meet with Portuguese President Mario Soares and other politicians.

On Tuesday, 12 May, Arias will leave for Madrid aboard a Spanish Air Force plane. He will arrive at Barajas Airport at 1100. While in Madrid Arias will meet with King Juan Carlos, Spanish head of state, and Prime Minister Felipe Gonzalez.

Arias told ACAN-EFE that Costa Rica is continuing to uphold the peace plan for Central America regardless of the suit Nicaragua has filed against the country with the International Court of Justice in the Hague.

Arias, who completed his 1st year in government on Thursday, is not placing dismissal of the suit at the Hague as a condition for holding a dialogue with Nicaragua.

"We do hope that the suit will be unconditionally dismissed," Arias added, "because Costa Rica is a peaceful, defenseless country which has not allowed a single centimeter of its territory to be used during my administration for violent actions against Daniel Ortega's government." [passage omitted]

EL SALVADOR

ARMY, GUERRILLAS TRADE RIGHTS VIOLATIONS CHARGES

PA071844 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 7 May 87

[Text] San Salvador -- The Salvadoran Army has accused the guerrillas of systematically violating the human rights of the population by killing over 100 civilians in the last 4 months. In a communique distributed by Coprefa, the Army asserted that the FMLN has killed 169 civilians, wounded 89, and kidnapped 283 during the first 4 months of this year. The military report indicates that the rebel mines have killed 22 peasants and wounded or maimed another 107.

Although not elaborating, Coprefa describes the FMLN's actions as terrorist acts, particularly when the rebels place the mines in conflict areas. Since the beginning of the war 7 years ago, the Army and the rebels have accused each other of constantly violating the human rights of the civilian population. According to the Army, the indiscriminate use of mines by the guerrillas is the cause of most of the civilian dead and wounded.

The governmental Human Rights Commission of El Salvador [CDHES] has asserted that at least 500 people have been maimed by mines during the last few years of the war. According to the CDHES, which last week began a nationwide census of civilian casualties, most of the persons maimed are children who step on foot-removing mines, so called because they only destroy a person's lower limbs.

Ruben Zamora, leader of the FDR, political wing of the FMLN, asserted recently that mines are a legitimate weapon in the war in El Salvador, which has been characterized as a low-intensity conflict. Zamora added that mines are also used by the Salvadorn Army, particularly after counterinsurgency operations end. The FDR leader said that the guerrillas are looking for effective means to warn civilians when the Army mines conflict areas.

The Archbishopric's Legal Assistance Office disclosed in its annual report that 54 civilians were killed by mines last year and that of these 45 deaths were caused by mines presumably placed by the guerrillas and 8 by the Army. [all figures as heard] The report says that there is one case in which the responsibility of the guerrillas has been ascertained.

ARENA CALLS DUARTE 'TRAITOR' TO PROCLAMATION

PA090114 San Salvador Radio Cadena YSKL in Spanish 1100 GMT 8 May 87

[Text] The Nationalist Republican Alliance, ARENA, has said that in addition to defrauding the Reagan administration, President Duarte is the biggest traitor to the proclamation that the Armed Forces issued in 1979, which promised a better life for Salvadorans. According to ARENA, the current government is laying the ideal foundations for the rebels to take power despite the sacrifice of the Armed Forces and despite their 1979 proclamation when the Salvadoran Armed Forces promised the people a better standard of living, the eradication of corruption, and the establishment of democracy.

However, Duarte has become the greatest traitor to that proclamation, ARENA stated, and despite the huge amount of U.S. aid, he has led our country to the brink of economic collapse.

FMLN ADDRESSES MESSAGE TO U.S. AMBASSADOR CORR

PA091522 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 8 May 87

[Text] Mr Edwin Corr, ambassador of the Reagan government: We have listened to your amusing remarks made on Soldier' Day. Neither [President Napoleon] Duarte nor [Defense Minister Carlos] Vides Casanova wanted to make remarks to newsmen at a time when their proven participation in the supply of weapons for the contras gives rise to many unanswered questions. However, Mr Corr, you did make remarks with the arrogant intonation of someone who feels he is the most important decisionmaking personage in the country. You give orders to the Duarte regime. You visit Army headquarters, inaugurate watertanks, give money for a useless judicial system, supervise an Education Ministry march, pay the Army, reprimand the oligarchs, give scholarships to the military [words indistinct]. You, Mr Corr, have supper with [San Salvador Auxiliary Bishop] Rosa Chavez, inspect highways and the electoral council, give bugles for the bands to use during the games, give soccer balls, and give instructions on strategic aspects of the national economy and planning.

You, Mr Ambassador, carry out all the functions that, according to the Constitution, belong to the president of the Republic, while Napoleon Duarte carries out the functions that U.S. protocol assigns to servile butlers in U.S. embassies We know this. We know your power, yet we tell you, Mr Edwin Corr, that this power is temporary. You represent a decadent system, a corrupt and blind system that is digging its own grave. As you set forth in your latest remarks, Mr Corr, you feel you are the president of the Republic. You have even dared to determine, with the airs of a president, which sectors can participate in shaping the national destiny. You are wrong, Mr Corr. You are wrong in regarding yourself as all-powerful in our homeland. You are just a servant of an immoral and unfair policy that tries to subjugate us.

We know that your arrogant tone before the press microphones will soon turn to fear, when the scenerio of Vietnam repeats itself. At that time, the U.S. oppressors ran to board the last helicopters to flee the fury of the people you massacred and oppressed. Swallowing defeat, Mr Corr, [words indistinct] the El Paraiso and San Francisco Gotera headquarters are still smoking. You have said we are unable to continue our actions, and yet we have not let the high command sleep for more than 40 consecutive days with all our victories. Surely, Mr Corr, you wish the FMLN's military capability was similar to that of your Somozist mercenaries, the capability to blow up a tower every 6 months and steal $100 million (?a year). William Walker failed to survive his adventure in Central America. If you, Mr Corr, survive your adventure, some day, rereading your notes, you will feel ashamed of having made so many foolish remarks about the destiny of El Salvador.

CHURCH SUPPORTS GOVERNMENT AMNESTY PROPOSAL

PA111337 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 11 May 87

[Text] San Salvador Auxiliary Bishop Gregorio Rosa Chavez yesterday said that the Catholic Church supports the government proposal to grant amnesty to hundreds of political prisoners not involved in violent actions. We have received the news with such happiness and we support it, Rosa Chavez said after the traditional Sunday homily at the Metropolitan Cathedral.

However, the ammesty will only benefit political prisoners who have not participated in violent actions. According to reports from groups advocating human rights, there are at least 1,200 political prisoners in Salvadoran jails. Some other prisoners, who are not in jail for political reasons, could also benefit from this amnesty.

The monsignor said that he has listened to a commentary from President Duarte in which he said that this ammesty would benefit a group of political prisoners and a group of prisoners who committed common crimes. [Words indistinct] Rosa Chavez believes that the amnesty process helps common prisoners because the prisoners are at the mercy of people who take advantage of the situation and charge huge sums of money to prisoners so that they can get out of the jails.

COPREFA VIEWS MILITARY OPERATION IN MORAZAN

PA131715 San Salvador Radio Cadena YSU in Spanish 1700 GMT 12 May 87

[Coprefa report; date not given]

[Text] Colonel Mauricio Ernesto Vargas, commander of Military Detachment 4 stationed at San Francisco Gotera, said during an interview that military operation "Lt Fernando Martinez Lemus," which is taking place in northern Morazan Department, has been successful.

The military officer said that the FMLN has suffered 37 casualties, including dead and wounded, during the counterinsurgency operation. He also said that 12 camps and 12 arms caches were destroyed. He further said that one member of the armed forces was killed and 20 have been wounded, due to clashes and booby traps.

Col Vargas reported that during clashes and in hideouts the army has seized 23 rifles of various calibers, a LAW [Anti-Tank Weapon] rocket launcher, an M60 machinegun, an M79 grenade launcher, 10 batteries for vehicles, 34 antipersonnel [quitapies] mines, abundant ammunition, materials to manufacture explosives, and subversive propaganda. Col Vargas said that the military operation began approximately 40 days ago and that several battalions specializing in antiterrorist operations are participating in the campaign, including the Bracamonte battalion. The commander also said the operation is of a permanent nature because this is a zone where extremists are constantly active, mainly in Arambala, Jocoaitique, Meanguera, Perquin, and other places near San Francisco Gotera.

Referring to the recent terrorist attack, the officer added that the civilian population suffered the most, because 3 were killed, 18 others were injured and 16 homes were partially destroyed.

He described this attack as indiscriminate and a complete failure for the FMLN. Finally, he said that the rebels have increasingly been using mines without taking into consideration the physical, moral, and psychological damage inflicted on the civilian population. During the past week, the military helped seven wounded civilians, including four children, who were badly wounded near Corinto in Morazan Department.

Another information report: Extremists threw a fragmentation grenade at the home of Maria Dolores Arevalo, a resident of El Paraiso canton, Concepcion Batres jurisdiction, Usulutan Department. As a result of this terrorist attack, six people were seriously wounded. The names of the victims are: Leonidas Marquez Martinez, Francisco Bautista Flores, Juan Vicente Ganuza, Jose Lino Pineda, Oscar Humberto Machado and Leonidas Marquez Lopez. They have been transferred to the Usulutan regional hospital.

The FMLN continues its press-ganging campaign. This time the guerrillas entered the area of Caguamo in the town of Sesori, San Miguel Department and kidnapped 15 boys, taking them to an unknown place, possibly to force them into the clandestine ranks. Another person who was kidnapped is Jose Dolores Grasa, who was taken by the extremists from the area of Llano Grande canton, Concepcion Quezaltepeque jurisidction, Chalatenango Department.

In addition, six extremists were killed in various clashes between FMLN columns and Army troops: Four guerrillas were killed in a clash with Salvadoran Air Force troops, near Quebrada Los Micos and the Los Mangos area in Nueva Concepcion, Chalatenango Department. After this clash, the military troops confiscated four fully equipped M-16 rifles, three hand grenades, and subversive propaganda. The other two guerrillas killed were reported by the 2d Infantry Brigade, which stated that Civil Defense members clashed with extremists near Chalchuapa. One guerrilla was killed and six mines were confiscated. The sixth guerrilla was killed in a clash with Tecana Battalion troops, which ran into an FMLN unit near Masahuat, Santa Ana jurisdiction.

GUATEMALA

CEREZO TERMS MEETING WITH SHULTZ 'VERY POSITIVE'

PA132257 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 13 May 87

[Text] Washington -- Guatemalan President Vinicio Cerezo has denied that his country will ask the United States for modern weapons [words indistinct] 12 U.S. fighter planes for the Honduran Air Force.

Cerezo confirmed that during his stay in Washington he will ask for an increase in military aid, noting: We have said that a small increase in military assistance -- for non-lethal weapons -- would be good news for Guatemala. We are not interested in participating in the arms buildup.

In remarks to reporters following his speech to the OAS Permanent Council, Cerezo stressed that he does not intend to ask for (?advanced) weapons. There were rumors that we were going to ask for planes. It is not true; we do not want any planes or sophisticated weapons. What we want is to spend the money on the country's development, Cerezo said, referring to a report published in THE NEW YORK TIMES today.

What if these weapons are given to Honduras, Cerezo was asked. That is Honduras' problem, let Honduras protect our eastern region, Cerezo replied.

Cerezo also said that the meeting that he held with U.S. Secretary of State George Shultz this afternoon was very positive. At this meeting, he said, they discussed the upcoming meeting of Central American presidents in Esquipulas and the Guatemalan initiative to form a Central American parliament. The president added that the meeting was comforting for the United States because the Guatemalans said that they were willing to exchange ideas and not to make specific requests.

Cerezo stressed that it is hoped that a minimum agreement with all Central American countries will be achieved at Esquipulas. He said that the recent (?request) to the United States for a military aircraft to send soldiers to El Peten was an isolated incident that does not change the Guatemalan attitude toward Central America.

Upon his arrival at the OAS, Cerezo was received by acting OAS Permanent Council President Antonio De Icaza, the Mexican ambassador, who introduced all the representatives of the member countries to Cerezo.

In his message, Cerezo emphasized that [words indistinct] his visit to Washington, including the visit to the OAS, and noted that Guatemala has decided that it cannot achieve peace and democracy inside its own territory if it has not somehow contributed to building peace and promoting solidarity and democracy in other parts of our region.

Cerezo added: We do not believe in war. We promote peace. We are tired of watching our compatriots die. We reaffirm our hope and trust in humankind. The Latin American parliament, which was a dream until recently, should become the forum to forge the Latin American unity based on an open discussion among representatives of the peoples and governments, he said.

LABOR UNIONS SUSPEND 15-DAY STRIKE 12 MAY

PA130259 Panama City ACAN in Spanish 1250 GMT 12 May 87

[Excerpts] Guatemala, 12 May (ACAN-EFE) -- More than 250,000 Guatemalan state employees ended a 15-day strike this morning, but 47,000 teachers are firmly maintaining their attitude of protest against Vinicio Cerezo's government. The state employees labor and trade unions ended their strike upon signing a document that is a "basis of understanding" with the government commission named by the president. The leaders of 28 state employee and teachers unions met for 8 hours with the ministers of specific affairs, labor, and government, Alfonso Cabrera, Catalina Soberanis, and Juan Jose Rodil Peralta, respectively. [passage omitted]

The leaders of 28 labor organizations, except the teachers unions, arrived at an agreement with Cerezo's government to "initiate an open negotiating process within a framework of total legality that will allow a serious, formal agreement guaranteed by the two sides." The government and labor leaders agreed to "send bills to the legislative congress, within a period not exceeding 30 days, to reform the consumer protection law and eliminate speculation, monopoly, and the alteration of prices."

Although they did not receive the salary increases they requested, the state employees received a promise from the Guatemalan president to reform the civil service and retirement laws. The government promise also includes "the establishment of a policy of austerity" to reduce unnecessary government spending, the recognition of the legal status of all state workers' unions, and "methods to prevent electricity tariff increases."

The government and the labor leaders will establish a "bilateral commission" that will discuss and negotiate "by 31 May at the latest" a "fair and effective" resolution of the state workers' demands. [passage omitted]

NICARAGUA

MINISTRY COMMUNIQUE GIVES DETAILS ON MI-17 DOWNING

PA131307 Managua Radio Sandino in Spanish 1240 GMT 13 May 87

[Communique No 7 issued by the Defense Ministry's Public and Foreign Relations Directorate in Managua on 12 May]

[Text] The Defense Ministry reports that:

1. On 10 May, a Sandinist Air Force [FAS], MI-17 helicopter, with registry No 304, crashed in the Hamaca sector, 70 km northeast of San Jose de Bocay, in the border region of Jinotega Department, with four people on board. It crashed when it was hit by rifle fire when, in a bold maneuver, it left the formation and strafed mercenary groups from a short distance as diligent EPS operations on the border were harassing these groups.

2. The four crewmen were killed when the aircraft hit the ground and caught fire. The names of the crew members are: Lt. Jorge Mel Crisanto O'Brian, the pilot: Lt Johnny Prudencio Lopez Iria, copilot: Noncommissioned Officer Francisco Otoniel Sovalbarro, a technician, and Juan Malterin Indira Chavez, a soldier-mechanic.

3. An FAS technical commission is conducting an in-depth investigation of the incident.

Issued in Managua on 12 May 1987

[Signed] Public and Foreign Relations Directorate of the Defense Ministry

RAMIREZ TAKES 'POSITIVE VIEW' OF ARIAS PEACE PLAN

PM140913 Oslo ARBEIDERBLADET in Norwegian 7 May 87 p 18

[Undated interview with Vice President Sergio Ramirez by Ester Nordland: "The Main Protagonist Positive to The Plan"]

[Text] Managua -- "It is interesting that the Arias plan speaks of democracy in harmony with each individual country's constitution and historical traditions.

"For us democracy means something different from what it means in El Salvador," said Vice President Sergio Ramirez of Nicaragua, the country that is the "main protagonist" in the Central American drama, explaining why he takes a positive view of the new peace plan: The plan does not question the Sandinistas' right to be in power.

"For us democracy is not real unless it means land reform, popular participation, and a fair distribution of goods. Other democracies work with a very powerful upper class and an enormous number of people who do not have access to anything, as in El Salvador."

[Nordland] The peace plan uses the term "guerrillas" about two such different groups as the rebels in El Salvador and the contras in Nicaragua. What do you think about that?

[Ramirez, laughing heartily] In Nicaragua it is us who are the guerrillas.

[Nordland] Will you negotiate with the contras?

[Ramirez] No. The proposal is that the contras be disarmed, accept a general amnesty, and return to Nicaragua. Then we can negotiate with them. They can even form their own party if they want. As long as they are not Somozists, for that is forbidden by the constitution.

[Nordland] Will you open the way for full freedom of speech and belief?

[Ramirez] As long as this is in harmony with our constitution it is something to which it is not difficult to agree. But we do not accept that we should hold elections when the United States says that we should. When aggression against us ends, LA PRENSA and Radio Catolica will be allowed to open and exiled priest Don Vegas will be allowed to return. We did not say that LA PRENSA and Radio Catolica should close forever.

[Nordland] It looks as if the Arias plan is more positive for Nicaragua than you though at first.

[Ramirez] We were not invited to the preparatory meeting in February; that was why we were suspicious. But it is not an accident that the plan is surfacing at the present time. Reagan has been weakened and the Central American countries do not want to be joint owners of a company that is about to go bankrupt. They see that they will have to foot the bill if everyting collapses. Costa Rica is worried about the stream of refugees, and Honduras would be left with the contras -- a criminal band who would attack people on the public highway.

This is part of the legacy that the United States is leaving in Central America. The countries in the region want to find a solution now that the captain is leaving the sinking ship, said Sergio Ramirez, who as well as being vice president is one of Nicaragua's promising writers. he considers himself a Social Democrat and is one of the moderate forces within the Sandinista FSLN.

D'ESCOTO COMMENTS ON U.S. POLICY, CONTADORA

PA131842 Managua BARRICADA in Spanish 12 May 87 p 5

[Text] Faced with the U.S. policy of "effective blockade" against Nicaragua, and despite attempts to sabotage all peace efforts in Central America, Contadora and its Support Groups are keeping firm, looking for a way to effectively contribute to the solution of the regional conflict.

This is how Nicaraguan Foreign Minister Miguel D'Escoto expressed his views on the present situation of the negotiating group, which he described as "the most important Latin American entity of solidarity to search for a peaceful and political solution" to the Central American crisis.

He said that Contadora and the Support Group's greatest achievement has been "having been able to gather together for the first time in Latin America such an important group of countries organized for the defense of sovereignty and territorial integrity of a Central American country."

He said that although some of the goals he set out to meet have not been reached -- such as the signing of a overall regional agreement -- "this has not occurred through Contadora's fault, but instead simply because the United States has not allowed certain Central American countries -- which depend on U.S. policy -- to sign this type of agreement."

D'Escoto emphasized: "If Contadora did not exist, the United States would have by now sent their troops to Central America."

The foreign minister gave his opinion on THE MIAMI HERALD disclosures to the effect that the governments of Mexico, Argentina, Panama, Costa Rica, and Honduras -- the first three, members of Contadora and Support Groups -- were pressured by Washington to pull back their support for Nicaragua and the initiatives for a negotiated solution on the isthmus. He said that these events "are nothing new" for the foreign government.

The foreign minister explained: "This confirms, especially for governments that, despite everything, continue giving the United States the benefit of the doubt, that the Reagan administration has always rejected dialogue and negotiation in Central America, and has tried to impose its will on Nicaragua by force."

He said that there are "countless examples of these measures, some even much more significant." Those pressures disclosed in the U.S. newspaper "are just actions intended to intimidate other member countries of both negotiating groups."

D'Escoto pointed out that the Nicaraguan Government knows of messages to Latin American presidents, and even to European figures, containing many blackmail attempts by Washington to isolate Nicaragua, to withdraw international support for the revolution, and to discontinue peace efforts.

He went on to say: "It has been a very long and sordid story in which the United States is the one that ends up isolated. The most important aspect is the unmasking of Reagan's policy and as the saying goes: the truth has its moment..."

Father D'Escoto noted that "the unyielding patience and fighting spirit of the Nicaraguan people, who have defended themselves in unity against imperialist aggression, has seriously eroded the Reagan administration policy."

He said: "That entire campaign was untenable, because lies only work for a limited amount of time. The Nicaraguan people never gave in to the pressures, and the truth became known."

D'Escoto gave as an example the last two UN session which voted to demand Washington abide by the International Court of Justice ruling and that it immediately suspend the economic embargo against Nicaragua.

"The entire policy of blackmail and pressure is isolating the United States even more," the minister said when stating that in Central America "they [the United States] are completely alone," having the sole support of the counterrevolutionary forces and some members of the [former] Nicaraguan hierarchy.

D'Escoto added that this is also demonstrated by the present public hearings on the "contra-gate" issue in the U.S. Congres, as well as the recently uncovered plan in which two ultra-rightists planned to murder President Daniel Ortega Saavedra.

Referring to the terrorist plot, D'Escoto noted: "In that case, there is no doubt that this is a consequence of Reagan's fiery rhetoric and his policy of encouraging terrorism and describing as heroes the killers of the Nicaraguan people."

D'Escoto is of the opinion that independent of the results of the trial that is taking place in Oklahoma against the two accused, "the person who is really responsible for the attempt as well as for the entire irrational and illegal policy is President Ronald Reagan, along with his team of advisers in the U.S. Administration."

RUIZ-LED DELEGATION ARRIVES IN NORWAY FOR VISIT

PA130452 Managua BARRICADA in Spanish 12 May 87 p 2

[Text] The Nicaraguan delegation headed by Commander Henry Ruiz arrived today (11 May) in Oslo. Norway's Developmental Aid Minister Vesla Vetlesen welcomed the delegation. Afterwards, Commander Ruiz met with Norwegian Foreign Minister Thorvald Stoltenberg and Comrade Prime Minister Gro Harlem Brundtland.

The first day of the official visit to Norway, whose Social Democrat government has a good relationship with the Nicaraguan Government, concluded with an interview granted by the FLSN National Directorate member to the Norwegian Government's foreign cooperation magazine. During the interview, the Nicaraguan leader commented on diverse aspects of his country's economic and international policies.

During the first meetings of the 3-day visit, the cordiality and good relations that exist between the peoples and governments of Nicaragua and Norway were stressed. Likewise, the Norwegian Government reaffirmed its rejection of the war of aggression endured by the Nicaraguan people and its support of political and negotiated solutions and the Contadora Group.

At the meeting held in the Developmental Aid Ministry, the talks centered on the implementation of Norwegian cooperation in the next 3 years.

Minister Vetlesen, one of the eight women in the cabinet, also discussed sending a group of Norwegian volunteers and installing a technical coordination office in Managua.

The Norwegian Government's monetary support of the Sandinist revolution has totalled 200 million kroner. This amount has been invested in diverse areas. It has been channeled through government as well as nongovernment and multilateral organizations.

Since the Social democrat government rose to power in May 1986, political and cooperation relations have increased.

In fact, one of the first foreign delegations which the new Norwegian Government welcomed was headed by Sergio Ramirez. He visited Norway from 1 to 3 June 1986. Moreover, during the meeting of the Socialist International council held in Rome in April, Commander Bayardo Arce talked to Prime Minister Brundtland about some specific matters concerning cooperation.

Recently, the Norwegian Government officially submitted a proposal to the parliament to give Nicaragua 100 million kroner in economic aid. This amount is symbolic of the $100 million which President Reagan has earmarked for war. This amount constitutes a significant increase of bilateral aid in comparison to previous years.

Tomorrow, Commander Ruiz will continue his busy schedule which includes meetings with the Foreign Relations Committee of the parliament, solidarity committees, and leaders of political parties.

WHEELOCK MEETS WITH SOVIET AGRO-INDUSTRIAL MISSION

PA132249 Managua BARRICADA in Spanish 12 May 87 p 5

[Text] Commander of the Revolution Jaime Wheelock, minister of MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform], yesterday warmly welcomed the delegation of the USSR-Nicaragua Permanent Working Committee headed by Gennadiy Romanenko, deputy chairman of the Soviet State Agro-Industrial Committee.

At the opening of the talks, Commander Wheelock expressed much appreciation for the cooperation from the Soviet Government and people, noting that it has been an effective contribution to the work of agromechanization and in helping to achieve the revolution's objectives of improving the people's standard of living, achieving self-sufficiency in food, and laying the groundwork for socioeconomic development.

He said that the visit will contribute to strengthening scientific, technical, and economic cooperation by deepening the mutual knowledge of and friendship between the two peoples and governments.

"For several months, we have prepared ourselves so this meeting would be as fruitful as possible and to make it easier to develop a grasp of Nicaragua's reality, economic potential, and the working spirit of its courageous people," he added.

For his part, the head of the Soviet delegation relayed greetings from his country's government and people and reasserted his confidence that this visit will help develop friendship between the two peoples through the contacts to be held to promote the development of agriculture.

The delegation headed by Romanenko arrived in Nicaragua on Monday and will carry out a hectic work schedule this week, which includes visits to the country's main agricultural-livestock programs.

CARDINAL OBANDO PRAISES HUMAN RIGHTS GROUP

PA091326 Paris AFP in Spanish 0142 GMT 9 May 87

[Text] Managua, 8 May (AFP) -- Cardinal Miguel Obando has praised the work of the nongovernmental Permanent Committee for the Defense of Human Rights (CPDH), which accuses the Sandinist government of holding more than 7,000 political prisoners and of violating human rights.

During a mass he officiated on Friday in Managua on the occasion of the 10th anniversary of the CPDH, Obando urged the organization to continue its task, because "it has played the role of the good Samaritan."

Without directly mentioning the Sandinist government, the cardinal prayed for "a Nicaragua where human rights will be respected," and where "the search for general well-being" will be the goal of politicians.

"May God give you strength to continue in a work that is God's work," Obando said, referring to the committee members, most of whom are well-known politicians who oppose the government of Daniel Ortega.

After narrating a parable of the Gospel where a prophet predicts the death of a king that threatens his subjects with death if they do not yield, Obando stated that "God does not like for men to be trampled on," adding that "a man that appears to be an enemy when he is 300 meters away, becomes a brother under the cross of Jesus Christ."

The CPDH has repeatedly charged that it is the target of "persecution by the Nicaraguan authorities who in the early stages of the revolution promoted the creation of the Commission to Promote and Protect Human Rights (CPPDH).

Lino Ventura, CPDH executive director, told AFP that the government has banned the communications media from making any reference to the activities of the humanitarian organization.

Concerning the homily by Obando, Ventura said that "his words of support for the committee do not sound strange to us, because we know he is identified with those who are suffering, in this case, with the thousands of prisoners in the jails."

He considered the presence of the cardinal at the mass as "a support for the committee, but more than anything, it reflects his commitment to the missing persons, to those who have been killed merely because their ideas were different from the ideas of the Sandinists."

Ventura considered the current human rights situation in Nicaragua as "one of the most difficult ones in our entire history, because there are more than 7,000 political prisoners, while in Somoza's times there were 600 at the most."

He added that in Nicaragua, there is "a total restriction of freedom of expression, there is religious persecution, and education is manipulated." Obando's words were applauded by the people who crowded the El Calvario Church. He left while the people applauded and cheered him.

BRIEFS

GDR ORGANIZATION HEAD VISITS -- Managua, 12 May 87 ADN -- Nicaraguan Education Minister Fernando Cardenal received the chairman of the "Ernst Thaelmann" GDR Pioneer Organization, Wilfried Possner, for a talk on Monday in Managua. During the cordial meeting, the minister spoke about the efforts by Nicaraguan educators to contribute to the fight against the contras and for a better life. Wilfried Posasner emphasized that the idea of solidarity was deeply rooted in the younger generation in the GDR. Afterward, there was a friendship meeting with girls and boys from several schools in Managua. [Text] [East Berlin ADN International Service in German 0128 GMT 12 May 87 LD]

NETHERLANDS DELIVERS CRANES -- The Netherlands recently delivered five diesel-powered, hydraulic mobile cranes, as well as a large number of spare parts and accessories to the National Ports Enterprise. The cranes, which cost approximately $800,000, will be assigned to the ports of Corinto, San Juan del Sur, and Puerto Cabezas. [Summary] [Managua Domestic Service in Spanish 2300 GMT 20 Apr 87 PA]

FINNISH COOPERATION AGREEMENT -- Foreign Cooperation Minister and Commander of the Revolution Henry Ruiz and Finnish Ambassador Veilo Sampovaara signed a $7-million cooperation agreement yesterday. According to the agreement, the financial aid will be used in the agricultural and health sectors, mainly to purchase medicines and medical equipment, as well as to provide technical assistance and maintain agricultural equipment for the dairy sector. [Summary] [Managua BARRICADA in Spanish 1 May 87 p 4 PA]

NEW ANN DIRECTOR, ENVOY -- Managua, 4 May (DPA) -- It was announced today that Robert Garcia, first secretary of the Nicaraguan Embassy in Spain for the past few years, has been appointed as new director of ANN. He replaces Carlos Garcia Castillo, who will be Nicaraguan ambassador to Mozambique. [Summary] [Hamburg DPA in Spanish 2257 GMT 4 May 87 PA]

SOVIET OFFICIALS ARRIVE FOR ANAP CONGRESS

FL140102 Havana Television Service in Spanish 0000 GMT 14 May 87

[Text] Mikhail Petrovich Trunov, president of the USSR Central Union of Consumers' Cooperatives and CPSU Central Committee full member, arrived in Cuba today. He was invited by the National Association of Small Farmers, ANAP. Juan Jose Leon, vice president of the ANAP, welcomed the visitors at the Jose Marti International Airport. Petrovich [as heard] was accompanied by (Igor Strautin), president of the Union of Consumers' Societies of the Lithuanian S.S.R. The Soviet delegation will attend the Seventh ANAP Congress that will be held at Havana's Palace of Conventions from 15 to 17 May.

ANPP OFFICIALS RECEIVE DELEGATION FROM GHANA

FL121545 Havana Tele-Rebelde Network in Spanish 1100 GMT 12 May 87

[Text] (Justice Daniel Agna), member of the Ghanian Provisional National Defense Council [PNDC], has arrived in our country at the head of a delegation invited by the National Assembly of the Peoples' Government [ANPP]. Severo Aguirre, member of the Council of State and the Communist Party of Cuba Central Committee, as well as ANPP vice president, received the Ghanaian leaders. Ramon Pez Ferro, ANPP deputy and chief of the International Relations Department, also welcomed the delegates. During their stay in Cuba, the African delegation will meet with government and ANPP leaders.

RISQUET AWARDS FRATERNITY MEDAL TO GHANA'S TSIKATA

AKB122008 Accra Domestic Service in English 1800 GMT 12 May 87

[Text] A PNDC member, Captain Kojo Tsikata, was awarded the Combative Fraternaty Medal of the Republic of Cuba during his just concluded visit to the Latin American country. The award was granted by the Council of State of Cuba, headed by President Fidel Castro. The Combative Fraternity Medal, which is awarded to only those who have participated in liberation wars with weapons in hand, was presented to Capt Tsikata at a ceremony in Havana to honor him.

A member of the Political Bureau of Cuba, Jorge Risquet, reading the citation, said the award was bestowed in recognition of Capt Tsikata's outstanding contribution to the liberation struggle of the peoples of Africa. He also said the award was in recognition of his selfless and untiring devotion to the struggle for freedom and justice currently under way in Ghana under the PNDC, and the able leadership of Chairman Flight Lieutenant Rawlings. Mr Risquet recalled that during the long and persevering journey toward the attainments of these ideals, Capt Tsikata suffered imprisonment and torture. He said the Combative Fraternity Medal bestowed on Capt Tsikata by the Cuba Council of State is likewise a concrete expression of the bonds of friendship and brotherhood linking the peoples of Ghana and Cuba.

Capt Tsikata, in turn, expressed his appreciation and said that more than a recognition of personal merit he considered the medal an honor accorded to the people of Ghana, presently engaged in a struggle for the economic recovery of the country and the achievement of freedom and justice. The medal, he said, will serve as encouragement and inspiration to all those involved in the uphill struggle ahead.

Among the distinguished personalities present at the ceremony were the Minister for the Interior and member of the Central Committee, Division General Jose Abrahantes; Minister of Trade Manuel Vila Sosa, and other generals and commanding officers of the armed forces, and the Ministry of Interior of Cuba, who participated together with Capt Tsikata in the liberation war in Angola. Capt Kojo Tsikata also fought in the Congo with the Ghanaian troops in defense of the legitimate government of the Congo then under the leadership of Patrice Lumumba. Kojo Amoo-Gottfried, Ghana's ambassador to Cuba, was also present at the ceremony.

MOZAMBICAN DELEGATION MEETS WITH MELENDEZ

FL130150 Havana Television Service in Spanish 0000 GMT 13 May 87

[Text] The delegation headed by Marcelino dos Santos, member of the Frelimo [Mozambique Liberation Front] and president of the Mozambican People's Assembly, held official talks today with Ernesto Melendez, minister president of the State Committee for Economic Cooperation, CECE. The Cuban official gave the visitors a thorough briefing of our country's economic development and the most important projects being conducted at this time. The Mozambican leader noted the efforts made by his country in the construction of socialism despite South African aggressions. During the meeting, the two sides analyzed the international political situation and economic crisis experienced by underdeveloped countries.

COB LEADER ON MINERS' STRIKE IN BOLIVIA

PA131857 Havana International Service in Spanish 0000 GMT 13 May 87

[Statement by Americo Trino, leader of the Bolivian Labor Federation, to Radio Havana reporter Ramon Chong; no date or place given -- recorded]

[Text] The hunger strike by 15,000 workers was planned first. This, I repeat, was done with the participation of the church, because the church has also been deceived in Bolivia. In addition, the miners, the vanguard of the Bolivian proletariat, have been on a general strike for more than 1 month.

The Bolivian Labor Federation [COB] has agreed to participate in a constant mobilization to support the miners, who are being attacked by the government which suspended their food supply and their salaries. We are sure that the Bolivian people will participate in this strike and become aware that only an all-out struggle will liberate the Bolivian people.

FMLN CLAIMS 1,600 CASUALTIES; RIGHTS GROUPS MERGE

PA101918 Havana International Service in Spanish 1600 GMT 10 May 87

[Text] Radio Venceremos, the FMLN's official voice, has reported that the rebels have inflicted more than 1,600 casualties on the Army during the past 40 days. An outstanding action during the current guerrilla campaign "For the Achievement of Bread, Justice, Work, and Freedom" has been the destruction of the El Paraiso military garrison in Chalatenango Department, where a U.S. adviser and approximately 50 Salvadoran officers and soldiers were killed. Another important action was the attack on the regime's garrison in San Francisco Gotera, in Morazan Department.

Meanwhile, in San Salvador, three organizations of relatives of political prisoners, missing, and murdered people announced their unification and the beginning of a new phase in the struggle for the respect of human rights. The new organization will be called Federation of Committees of Mothers and Relatives of Political Prisoners, Missing, and Murdered People [Federacion de Comites de Madres y Familiares de Presos, Desaparecidos, y Asesinados Politicos]. According to the members of the organization, the struggle will be more radical from now on because legal paths are closed in El Salvador and because Napoleon Duarte's government responds only to the U.S. plans of stepping up the war and surrendering national sovereignty.

Leaders on Final Victory

PA231552 Havana International Service in Spanish 2300 GMT 12 May 87

[Text] Soon, the Salvadoran Army will face a crisis that could determine its defeat by virtue of the current trend in the war. These statements were made in Mexico City by Salvador Samayoa and Jorge Villacorta, members of the FMLN-FDR political-diplomatic commission.

The two leaders asserted that on the strategic level, the government's Army is going on the defensive, while the guerrilla forces are inflicting increasingly serious and simultaneous defeats on the enemy. Samayoa and Villacorta added that the rebels are ready to inflict permanent harsh blows on the enemy such as the ones carried out against the EL Paraiso and San Francisco Gotera headquarters.

SALVADOR'S COACES PROTESTS AGAINST REGIME

PA131527 Havana International Service in Spanish 2300 GMT 12 May 87

[Text] Reports from San Salvador state that the Confederation of Cooperatives Association of El Salvador [COACES] demonstrated on Monday against the increasing repression of Jose Napoleon Duarte's regime. The demonstrators blamed Duarte and the U.S. Government for the disappearances, murders, and displacement of Salvadoran peasants, and the injustices committed against them. The source states these actions have increased this year.

Similarly, the source adds that this year members of the Salvadoran army have killed six COACES members and kidnapped approximately 100 peasants affiliated with COACES. The army members are also accused of causing the disappearance of three other COACES members.

COACES members also said that during the demonstration they demanded the release of the hostages and the execution of those responsible for the murder of another four peasants, who were killed by the regime's repressive forces. These murders took place in a cooperative in La Paz Department in December.

COMMENTARY ON GOALS, CHARACTERISTICS OF CONTRAS

PA140017 Havana International Service in Spanish 2300 GMT 12 May 87

["Our America" commentary read by Manolo Ortega]

[Text] Months before the resounding explosion of the Irangate scandal, several U.S. officials said that by early 1987, a 30,000-man army, mostly comprised of peasants, would be operating in Nicaragua. Under that pretext, the psychological warfare strategists of the Yankee Pentagon were trying to hide the true social origin of the mercenaries, most of whom were generally coming from the ranks of the former National Guard created by Anastasio Somoza.

The gradual revelations about the well-known scandal demonstrated the countless legal and illegal resources on which these bands are nourished. They also confirmed that the small proportion of deceived peasants who make up this false army is completely overshadowed by the presence not only of the Somozists, but also the lumpen recruited in U.S. territory.

First, we have to say that, including all those who are resting, waiting, or training in Honduras and Costa Rica, there are no more than 15,000 mercenaries. The exaggeration in the number of mercenaries is intended to facilitate requests for more money from U.S. taxpayers. President Ronald Reagan is still determined to achieve that goal. He expects the U.S. Congress to approve another $105 million for the rebels.

According to conservative estimates, the Nicaraguan counterrevolutionaries have received over $400 million -- a figure that does not include the aid from so-called private donors such as the Sultan of Brunei, the Moon Sect, drug and weapons traffickers, and from other various businesses run by the U.S. President's champions of freedom. Instead of serving to aid the so-called liberation of Nicaragua, that dollar flow has served only to provoke fights among the bands and leaders of the bands, who are shamefully struggling for control of the illegitimate army supported by Washington.

The situation has reached such a state that only 3 months ago the U.S. Administration was instrumental in the resignation of some of those false leaders. It then began to search for other figures to provide at least a less corrupt image of those who are supposedly trying to bring freedom to a country, a country that has already conquered it.

For example, let us mention Adolfo Calero, former Coca-Cola representative in Managua and one of the leaders who resigned 3 months ago. He admitted that in his case, he was receiving $3,000 per month for his family. However, Pedro Joaquin Chamorro, another contra leader, said that some family allocations were as high as $4,000 per month. This does not include entertainment allowances, which could reach astronomical figures.

Therefore, it has been confirmed that it is not exactly money that the counterrevolutionaries lack. Regarding their social origins, the former Somozist Colonel Enrique Bermudez and Juan Gomez, and Major Doctor Ernesto Matamoros head the groups of sergeants, lieutenants, and second lieutenants, who now are subcommanders or commanders of bands. [sentence as received] The so-called peasants' army that is awaiting more dollars from the United States to continue its aggression against Nicaragua is thus formed by those self-appointed commanders who hold a Somozist guard ideology.

FIRE REPORTED AT COMMUNICATIONS MINISTRY SITE

WA131350 [Editorial Report] Havana Television Service in Spanish at 0000 GMT on 7 May 1987 and Havana Radio Progreso Network in Spanish 1100 GMT on 7 May 1987 report on a "large fire that broke out late yesterday at an open air storage area in El Cerro Municipality, Havana." The storage area is identified as belonging to the Ministry of Communications; it contains "hundreds of spools" of telephone cable, "most of which were recently imported from Argentina." The fire has been extinguished and "the necessary investigation to find out the causes of the fire has begun."

WORKSHOP ON TRADE UNION MOVEMENT BEGINS

FL130222 Havana Radio Rebelde Network in Spanish 2300 GMT 12 May 87

[Text] The first workshop on the labor and trade union movement in developing countries began today in Havana with over 100 students from the Lazaro Pena National Trade Union Cadre School in attendance. The participants represent 25 trade union organizations from 18 African, Latin American, and Caribbean countries. They will analyze 18 lectures which will contribute to the mutual understanding of a situation of common struggle and will deal with current problems such as the foreign debt.

COMMENTARY ON DETERIORATION OF PANAMA CANAL

PA120440 Havana International Service in Spanish 2300 GMT 11 May 87

["Commentary" read by Nestor Nunez]

[Text] The real intentions of Washington concerning the return to Panama of the interoceanic waterway at the end of the present century is reflected daily in the unfair behavior of the Ronald Reagan administration in total violation of the Torrijos-Carter Treaties, which were signed in 1977.

That statement was made by Panamanian Foreign Minister Jorge Abadia, who reported on the deterioration of the canal resulting from U.S. refusals to make technical improvements in the waterway in keeping with bilateral agreements. It is evident that the United States plans to return a canal with serious operational problems to Panama in order to argue that the isthmus is incapable of managing and maintaining a path of great international importance.

Another irritating aspect is the fact that this sabotage is authorized by Law 96-70, which was approved by the U.S. Government. Through this law, U.S. authorities give themselves the right to make changes to the agreements of 1977. The United States is creating many conflicts to prevent returning sovereignty over the canal to Panama. That country is trying to hinder the work of isthmian authorities who will be managing the canal at the end of this century, and is delaying or freezing payments to Panama in the form of revenues generating by the use of the interoceanic waterway.

The idea now is to allow time to destroy the canal, to turn it over to Panamanian hands in the worst possible condition. In our opinion, two reasons move Washington to act so unfairly: its refusal to turn over the important communications waterway to non-U.S. managers and their policy to pressure the isthmian government to abide by U.S. demands in other issues such as the Central American crisis, in which Panama maintains a position in favor of dialogue and negotiation.

CONDITION OF INJURED AT PLANT EXPLOSION REPORTED

FL140129 Havana Television Service in Spanish 0000 GMT 14 May 87

[Text] Reports on the injured at [El Huajai] aluminum casing enterprise explosion, only mid-level technician Eduardo Ramos Miranda continues to be in serious condition. Gonzalo Rodriguez Aguilar, Vladimir Gonzalez, Giovanni Rodriguez, Jose A. Ortega, and Mercedes Sanchez are said to be in fair condition at the Calixto Garcia Hospital. Wilfredo Sanchez, gardener, and Angel Martinez, laborer, were released from the hospital.

BRIEFS

AIRPORT EXPANSION -- The Cayo Largo del Sur Airport is being expanded to allow the landing of civilian airplanes of any size and shape. This will also increase airplane parking and tourist facilities. [Text] [Havana Radio Progreso Network in Spanish 1100 GMT 13 May 87 FL]

CDB BOARD OF GOVERNORS HOLDS 17TH ANNUAL MEETING

FL132151 Bridgetown CANA in English 1829 GMT 13 May 87

[Text] St Georges, Grenada, May 13, CANA -- St Kitts and Nevis Prime Minister Dr Kennedy Simmonds praised the Caribbean Development Bank (CDB) today as a truly "Caribbean institution." He said the bank had shown a clear understanding of regional development needs.

Simmonds was addressing today's opening of the seventeenth annual meeting of the board of governors of the CDB. He spoke of the need for the CDB to assist regional development banks, and especially the so-called Lesser Developed Countries (LDC's) to improve their infrastructure.

Simmonds said if there was a criticism of the bank it has to be around the need for it to have a greater sense of urgency in dealing with some of the projects put before it.

Prime Minister Herbet Blaize of Grenada told the assembled finance ministers and high officials that the bank should concentrate more on helping the private sector and to review its restrictions on lending where leasehold land is involved. He said that many investors coming to a country like Grenada with limited land resources in most cases are only able to get lease hold property. If they cannot get financing because of the landlease issue then their projects would not be able to go forward, he added.

"So I rely on the bank to make a proper, progressive, constructive, creative, imaginative view to this whole thing of land on lease holding property," Blaize said.

Apart from Blaize and Simmonds, the other regional leaders attending the meeting are Prime Ministers Errol Barrow of Barbados, John Compton of St Lucia, and James Mitchell of St Vincent and the Grenadines.

Other attending include Venezuela's special Ambassador to the Eastern Caribbean Francois Moanack, Trinidad and Tobago Planning Minister Winston Dookeran, and Caricom Secretary-General Roderick Rainford.

$20 Million Approved for Projects

FL131636 Bridgetown CANA in English 1507 GMT 12 May 87

[Test] St Georges, Grenada, May 12, CANA -- The board of directors of the Caribbean Development Bank (CDB) has approved nearly 20 million dollars to finance projects in the Organisation of Eastern Caribbean States and Barbados.

The CDB release said the directors yesterday authorised the bank to borrow 8.5 million U.S. dollars to finance a vocational and technical education programme in five Eastern Caribbean states. Of that amount, 6 million U.S. dollars will come from the International Development Agency (IDA), and the rest from the Organisation of Petroleum Exporting Countries' Fund for International Development (OPEC Fund).

The CDB itself is expected to lend U.S. 2.8 million dollars for the project which is earmarked for Dominica, Grenada, St Kitts and Nevis, St Lucia, and St Vincent and the Grenadines which are together contributing U.S. 1.7 million dollars.

The project, which is scheduled to be completed in mid-1993, is aimed at improving the quality of existing vocational (?programmes) and [word indistinct] the beneficiary states. The meeting also conditionally approved loans totalling about 10 million U.S. dollars for other projects in Barbados, Dominica, and Grendada. The Barbados project is for U.S. 5 million dollars to assist in the construction of a major road linking the island's air and sea ports.

The loan to Dominica is for 3.8 million dollars to assist the island's electricity company in financing a second power project estimated at around 17.1 million U.S. dollars.

Grenada's loan of 965,000 U.S. dollars goes toward meeting additional costs in the reconstruction of 8.7 kilometres of road on the eastern main road for which the CDB in July 1985 approved a loan of 2.5 million U.S. dollars. There is also a second loan to Grenada of 600,000 U.S. dollars under the student loan scheme for onlending to nationals wishing to pursue tertiary level courses in approved subjects related to the development needs of the island.

The CDB's directors also authorized the bank's president to sign non-reimbursable technical cooperation agreements with the International Development Research Centre (IDRC) of Canada, and the Inter-American Development Bank (IDB).

The IDB agreement is for 425,000 U.S. dollars for the Caribbean agricultural middle-management training programme, and the IDRC agreement involves 87,822 Canadian dollars for the Caribbean technological consultancy services network.

Yesterday's meeting of the CDB Board of Directors precedes the opening on Wednesday of a three-day meeting of its Board of Governors to be attended mainly by ministers of finance in member countries.

ANGUILLA

UPWARD ECONOMIC GROWTH SUSTAINED IN 1986

FL111740 Bridgetown CANA in English 1356 GMT 9 May 87

[Text] Bridgetown, Barbados, May 9, CANA -- The relatively strong upward trend in the economy of Anguilla over the last five years was sustained in 1986, and, according to the annual report of the Caribbean Development Bank (CDB), that is a reflection of the island's increasing popularity as a tourist destination.

Data for the first 11 months of 1986 indicate that compared with 1985, the total number of visitors to the island increased by 16.4 per cent to reach 58,271.

Day tour visitors originating mainly in neighboring St Maarten accounted for an estimated 89 per cent of the increase in the number of visits. Stopover visitors, particularly from the United States, rose from 12,523 in 1985 to 13,325 in 1986, and the major hotels reported full or nearly full occupancy during the winter season.

The CDB report says preliminary estimates show that the 1986 surplus on the recurrent account of central government rose slightly above the 0.4 million dollars recorded in 1985.

The improved performance was indicative not only of the high lebel of economic activity in Anguilla, but of a more vigilant tax collections system. Recurrent revenue rose from 5.9 million dollars in 1985 to 6.3 million dollars in 1986, boosted by higher levels of collections from import duties and stamp duties.

Actual receipts under these two heads exceeded budgeted estimates by over 36 percent. A 10 per cent salary increase to established workers in January 1986, contributed to the 6.7 per cent increase in recurrent expenditure which rose to 5.1 million dollars.

The rapid pace of economic growth is expected to continue in 1987, propelled by further expansion in the tourism industry. The appointment of a marketing and sales representative in UK and proposals for a similar appointment in Canada, are expected to boost tourist arrivals from these two destinations.

Considerable construction activity is expected to result from private sector investment in tourism plant [as received] and from some major projects which the public sector proposes to undertake, the CDB said.

The construction of a 44-room hospital and a new airport terminal building, the installation of a new 1.0 megawatt (mw) generator and the implementation of a water development programme, are among the projects scheduled to start in 1987.

Public finances should continue to improve. Revenue measures are expected to yield 6.9 million dollars, but the recent regrading of jobs in the public service together with the 10 per cent salary increase to be awarded to civil servants in 1987, will lead to a higher level of expenditure.

BAHAMAS

CARIBBEAN DEVELOPMENT BANK REVIEWS 1986 ECONOMY

FL091602 Bridgetown CANA in English 1740 GMT 8 May 87

[Caribbean Development Bank Report on Bahamas Economy for 1986]

[Text] Bridgetown, Barbados, May 8, CANA -- The Caribbean Development Bank (CDB) says economic activity in The Bahamas during 1986 was dominated by the performance of the tourism and construction sectors, with preliminary data suggesting economic growth of the same 4 to 4.5 per cent as estimated for 1985.

According to the bank's annual report, to be presented to the May 13 meeting of the board of governors, visitor arrivals in The Bahamas totaled three million in 1986. This represents a 14.3 per cent increase, compared with 1985.

The expansion was dominated by an increase of 31.6 percent in arrivals of cruise ship passengers from 1.1 million to 1.5 million. Mirroring the performance in arrivals, visitor expenditure rose to 1,113.6 million U.S. dollars, or 11.4 percent more than in 1985. An additional 13.9 million dollars in tourism-related receipts accrued directly to government.

The construction sector was also buoyant during 1986. Although the number of building starts dropped marginally by 0.5 per cent, construction expenditure increased by an estimated 18.1 per cent in real terms, compared with 2.3 per cent in 1985.

Domestic credit remained sluggish at the beginning of 1986. In response to this situation, and the related build-up in bank liquidity, interest rates were reduced. The discount rate was reduced by percentage point to 7.5 per cent in April and the prime rate fell from 10 per cent to 9 per cent in May.

Apart from the domestic situation, the drop in interest rates in The Bahamas was in keeping with the coordinated decline in rates abroad. The 14.5 per cent expansion in bank credit to the private sector was therefore induced by the new interest rate policy.

In contrast, public sector borrowing from the banking system fell from 18.3 per cent to 12.9 per cent of total domestic credit between December 1985 and December 1986.

The improved balance of payments mostly reflected the performance of the tourism sector, and international reserves rose by 45.3 million dollars during 1986. Merchandise imports rose by 2.9 per cent to 1,021 million dollars, compared with 1985.

The value of merchandise exports declined by 0.7 per cent to 293.7 million dollars, and the trade deficit widened from 696.5 million dollars to 727.3 million dollars. The deficit on the trade account was more than offset by a higher level of tourist expenditure, and the current account deficit narrowed from 32.7 million dollars in 1985 to 13.1 million dollars in 1986.

The rate of inflation, as measured by the retail price index, rose from 4.8 per cent in 1985 to 6.8 per cent in 1986. The increase in inflation largely reflects a surge in food and transport prices. The significant rise in the transport index at yearend was due in large measure to the appreciation of the Japanese yen, as a growing volume of goods is imported from Japan.

Government's fiscal policy stresses the consolidation of existing revenue measures rather than the design of new measures to increase revenue collections. Efforts continued at improving the administrative and collection machinery.

Recurrent revenue rose by 1.1 per cent to 381.1 million dollars, compared with the 1.2 per cent increase in recurrent expenditures to 358.6 million dollars. The recurrent surplus for fiscal year 1986 therefore remained unchanged at 22.5 million dollars for fiscal year 1985.

Prospects for 1987 are encouraging. Developments in the tourism and construction sectors will continue to dictate the pace of economic activity. Visitor arrivals in 1987 are projected to reach three million, about 20 percent more than average arrivals during 1984-86, while the number of cruise ships calling at The Bahamas is projected to increase from 22 in 1986 to 27 in 1987.

At least one major hotel project is scheduled to come on stream in 1987 and this should add 600-700 rooms to existing facilities. Although the tourism industry continues to expand, the rate of growth of visitor arrivals has slowed relative to historical levels. To stimulate faster rates of growth, The Bahamas may need to implement a tourism strategy which focuses on its family islands, the CDB report said.

The 1987 budget emphasised government's commitment to strengthening fiscal performance through an improvement in the tax collection system. Further savings can be achieved if the measures to improve revenue collection are combined with measures to rationalise central government expenditure, particularly on wages and salaries to civil servants, the bank added.

TRINIDAD AND TOBAGO

CDB REPORTS FALL OF 6.4 PERCENT IN REAL OUTPUT

FL121839 Bridgetown CANA in English 2348 GMT 12 May 87

[Text] Bridgetown, Barbados, May 11, CANA -- Despite buoyant growth in the manufacturing sector, output in Trinidad and Tobago declined in 1986 mainly as a result of a downturn in construction and service activities. It is estimated that real output fell by 6.4 percent, compared with a fall of 2.9 per cent in 1985, says the 1986 annual report of the Caribbean Development Bank (CDB).

While crude oil production has been affected by declining reserves since 1978, the performance of the oil sector in 1986 must be viewed against the background of the preciptious fall in real oil prices in the first half of 1986 and, as a consequence of this, the reduction in drilling activity. Available data indicate that for the six months ending June 1986, total crude oil production fell to 4.9 million cubic metres [MCM] from 5.1 MCM in the comparable period in 1985. Even though marine fields continued to dominate total crude oil production, output from this source fell from 4.0 MCM in the first half of 1985 to 3.7 MCM in the corresponding period of 1986.

In contrast, production from land-based operations increased from 1.1 MCM to 1.2 MCM, crude oil exports fell from 2.7 MCM to 2.5 MCM, and refinery throughout fell from 2.3 MCM to 2.2 MCM. Natural gas production increased from 3.697 MCM in the first six months of 1985 to 3.716 MCM in the corresponding period in 1986.

Despite a 14 per cent contraction in the output of export agriculture other than sugar, total agricultural output grew by 2.5 per cent in 1986. The strength of the sector reflected mainly the performance of the sugar sub-sector. In 1985/86, sugar production rose by 14 per cent over the 1984/85 level to reach 92.3 thousand tonnes, because of good weather conditions and improvements in workers attitude and factory operations. On the other hand, coffee production fell from 2.1 thousand tonnes during the first half of 1985 to 1.3 thousand tonnes in the comparable period of 1986, and despite higher prices, cocoa production fell by 3.5 per cent to 1.1 thousand tonnes.

Manufacturing output responded with unexpected strength to the improved competitive position of Trinidad and Tobago in the regional market following the devaluation of the Trinidad and Tobago dollar, and to a shift to domestically produced goods as a result of increased stringency in the country's foreign exchange budgeting programme.

Output rose by 5 per cent in 1986, compared with a contraction of 14 per cent in 1985. All sub-sectors, with the exception of wood and related products, recorded positive growth. As a consequence of contraction in the economy, employment fell from 399 thousand in 1985 to 393 thousand in 1986, while the unemployment rate moved up from 15 per cent to 17 per cent. The depressed economic conditions resulted in further increases in unemployment among the young, with the 1985 unemployment rates among the 15-19 and 20-25 age groups moving up from 37 per cent and 25 per cent, respectively, to 39 per cent and 28 per cent in 1986. The unemployment rate in the 25-29 age group increased by two percentage points to 17 per cent in 1986.

Money supply narrowly defined (M1) contracted sharply during the year ending August 1986, falling from 530.7 million dollars at the end of August 1985 to 507.7 million dollars in August 1986. Similarly, money supply broadly defined (M2) fell by 4.9 per cent between August 1985 and August 1986.

The contraction in the money supply reflected not so much the impact of government measures as the net effect of an acceleration in net foreign exchange outflows which increased from 660.7 million dollars in the nine months ending September 1985 to 815.9 million dollars in the comparable period in 1986. Mainly as a result of the contraction in aggregate domestic demand and higher productivity, the rate of increase in consumer prices decelerated from 7.8 per cent during the first nine months of 1985 to 7.1 per cent in the comparable period in 1986. The most important changes in prices in 1986 occurred in food and transportation.

Wage claims and settlements were modest in 1986, reflecting in part a lowering of employment levels. Accordingly, labour unions placed more emphasis on job security than on pay increases. During 1986, the external accounts of Trinidad and Tobago were characterised by a growing current account deficit, brought about by further declines in export earning from oil and mounting debt service payments.

The current account deficit rose from 63.5 million dollars in 1985 to 360.8 million dollars in 1986, under a sharp reduction in the balance of trade surplus from 583.6 million dollars to 186.2 million dollars. A capital account surplus of 26.1 million dollars in 1985 turned into a deficit of 173.8 million dollars. Net foreign assets fell by 267.6 million dollars between August 1985 and August 1986.

In 1986, fiscal policy aimed at reducing central government deficit and a number of measures, designed to increase central government revenue were implemented. Nonetheless, the balance on government recurrent account fell from a surplus of 227.1 million dollars in 1985 to a deficit of almost 320.5 million dollars in 1986. Shortfalls in company and personal income tax led to a fall of over 20 per cent in recurrent revenue between 1985 and 1986, while recurrent expenditure increased by 5.9 per cent.

In 1987, the economic situation will continue to be dominated by efforts to restore fiscal equilibrium through the adoption of a medium-term plan which includes a 5 per cent cut in the salaries of ministers of government, the abolition of cost of living allowances to public servants, and a unification of the country's dual exchange rates. In spite of this, the decline in household real income will probably be small. The growth in other Caricom countries as well as by protectionist policies in metropolitan countries.

A projected increase in import prices may result in an increase in inflation and a further increase in the country's trade deficit. Furthermore, in spite of job creation measures, total employment is expected to fall, even though attempts may be made to stabilise public sector employment.

CBD REVIEWS NATIONAL ECONOMIC GROWTH IN 1986

FL131821 Bridgetown CANA in English 2201 GMT 10 May 87

[Text] Bridgetown, Barbados, May 10, CANA -- The Caribbean Development Bank (CDB), reviewing Guyana's economic performance in its 1986 annual report, says that following growth of 1 per cent in 1985, real gross domestic product (GDP) grew by about 0.3 per cent in 1986.

This resulted from the reduction in output of most grades of bauxite, diamonds and manufactured goods, which partly offset increases in production of sugar, rice and gold. However, total output was 6 per cent below the level recorded for 1979, because of persistent technical problems and unfavourable weather conditions in the major sectors. This in turn continued to limit foreign exchange earnings and severely restrict imports of machinery spare parts.

Output of calcined bauxite fell by 7.8 per cent from 486,000 tons to 448,000 tons; while production of chemical grade bauxite [fell] by 24.2 per cent from 250,100 tons to 189,600 tons. There was also a 46.1 per cent contraction in output of alumina cement from 92,600 tons.

These cutbacks were in response to the build-up of stocks following the loss of markets to more competitively priced Chinese bauxite, but were sufficiently offset by the 5.9 per cent rise in production of metal grade bauxite from 770,000 tons to 816,000 tons.

In early August, the World Bank approved a technical assistance credit oif 7 million dollars for study of the needs of the bauxite industry but disbursement was suspended on August 15 because of arrears problems with the bank.

Furthermore, the industry did not benefit significantly from the recent decline in oil prices because bauxite is sold at prices which move in line with oil prices. The long-term viability of the industry will depend on rehabilitation of plant and equipment on cost reduction through more efficient use of fuel and careful quality control.

Sugar production rose by 1 per cent from 246,900 long tons in 1985 to 248,900 long tons or 95.7 per cent of the target of 260,000 long tons the second crop. Important policy initiatives that were taken recently include the removal of the consumer subsidy on sugar, closure of an unprofitable sugar factory and diversification into rice cultivation, agriculture and livestock production.

Rice production rose by 17.3 per cent from 156,000 long tons in 1985 to 183,000 long tons in 1986, reflecting a 44 per cent increase in the acreage cultivated from 66,792 acres to 96,169 acres, and a marginal rise in yield from 20.8 per cent to 21.8 per cent. This favourable outturn is attributable to a 17 per cent increase in the domestic price for rice.

There have been continuing improvements in accounting and quality control and increased exports to extra-regional markets following the reorganisation of the rice board into the Guyana rice group in 1985.

Declared production of gold increased by 39.8 per cent from 322.6kg in 1985 to 450.9kg, following the 140 per cent increase in the price paid for raw gold by the Guyana Gold Board beginning September 1986.

In contrast, declared production of diamonds fell by 23.1 per cent from 11,566 metric carats to 8,900 metric carats. The thrust over the next five years will be to improve access to mines, upgrade technology and marketing, and provide incentives for further exploration.

Net credit to the public sector, which continues to be the single largest influence on monetary aggregates, fell by 22.5 per cent during January to October because of reduced borrowing by public enterprises, while commercial bank loans and advances to the private sector increased by 17 per cent. Liquidity also increased because of the limited availability of consumer goods and increased parallel market activity. Some commercial banks have even been refusing additional private deposits.

The official retail price index indicates that prices increased in 1986 by about 18 per cent, compared with 15 per cent in 1985. This acceleration in the rate of inflation resulted from the removal of price controls of a number of consumer items and to increases in utility prices but was tempered by the reintroduction of locally milled wheat flour during the last quarter of the year.

The reduction in international oil prices has not led to a slowdown in the rate of increase in domestic prices because of the expansion of parallel market activities and countertrade, and adjustments in the exchange rate. The most recent adjustment occurred in November 1986 when the exchange rate moved from 4.30 G dollars/1 US dollar to 4.40 G dollars/1 US dollar.

The value of recorded exports of goods and services increased by 4 per cent to 1,092 million G dollars following the adjustment in the price for gold and the improved performance of rice and metal grade bauxite. Concurrently, the value of imports of goods and services rose by 8.7 per cent to 1,488 million G dollars and the deficit on current account climbed by 16.7 per cent to 479 million G dollars.

Government recognises the urgency of solving this chronic imbalance through export stimulation, especially since net foreign assets and external public debt (including arrears) at December 31, 1986 were 934.8 million dollars and 1,573.9 million, respectively. Between 1985 and 1986, recurrent revenue of central government increased by 21 per cent to 939 [million] G dollars.

Contributing factors included an improvement in the profitability of public enterprises and an increase of five percentage points in the tax on imports of semi-luxury and luxury items to 30 and 50 per cent, respectively. However, government is impeded in its efforts to raise tax revenue by the expansion of the parallel market and the adverse effect of the severe shortage of foreign exchange on production.

Meanwhile, recurrent expenditure grew by 15.8 per cent to 1,234 million G dollars under the impetus of escalating domestic interest payments and would have been higher had all extenal debt service obligations been met.

Capital expenditure more than doubled from 410 million G dollars to 1,438 million G dollars, and consisted of a 795 million G dollars equity contribution to public enterprises and several domestically financed projects such as construction and renovation of administrative buildings. Public sector savings improved but remained negative.

Legislation was laid before parliament in early 1986 to permit the establishment of offshore banks. There has also been initiation of a petroleum exploration promotion project, using funds from IDB. Guyana hopes to develop its tourism potential.

The recent 56 per cent devaluation, even taking into account the measures aimed at cushioning the impact of the price increases on lowest paid workers, is expected to restore the fiscal situation (reflected in the overall public sector surplus/deficit) to near balance. However, the measure is likely to cause worsening of the balance of payments. A turnabout in the economy in the longer run will depend largely on success in securing additional foreign capital inflows, further reduction of price distortions and rationalisation of the public sector.

CHINESE, JAPANESE LOAN AGREEMENTS ANNOUNCED

FL132212 Bridgetown CANA in English 2016 GMT 13 May 87

[Text] Georgetown, Guyana, May 13, CANA -- Guyana is to receive a 6 million (U.S.) dollar interest free loan from China to finance small and medium scale manufacturing and agro-industrial projects, the Department of International Economic Co-operation (DIEC) has announced. The department also announced that Japan had agreed to commit additional funds to the development of the fishing industry here.

These arrangements, the DIEC said were firmed up between April 24 and May 9 when a team of Guyanese officials attended the second joint economic commissions on bilateral economic co-operation in Tokyo. The Guyana delegation was led by senior minister in the Ministry of Agriculture, Dr Patrick McKenzie.

The DIEC also reported that in Peking, talks were held on two joint ventures in the fisheries and textile subsectors and two Chinese teams are expected here between June and July "to concretise all arrangements in relation to these two projects."

It said the Japanese have also undertaken to consider favourably, a request from the Guyana Government for technical assistance "in terms of personnel and training" for those agencies whose operations are being constrained by the limited availability of technical and managerial personnel.

NEWSPAPERS EXPERIENCE NEWSPRINT SHORTAGES

FL071710 Bridgetown CANA in English 1540 GMT 7 May 87

[Text] Georgetown, Guyana, May 7, CANA -- Guyana National Newspapers Ltd (GNNL), printers and publishers of the CHRONICLE newspapers here, today announced it will be suspending its Monday issue, because of a severe shortage of newsprint. The state-owned paper said that while efforts to alleviate the shortage are meeting with some success, "it will be several weeks before newsprint supplies improve."

Meanwhile, the recently launched private weekly paper, THE STABROEK NEWS, is also being faced with serious financial problems and has reduced its publication from 24 pages to 16. The paper said it was forced to take this decision in order to stretch financing capital it received last year from the National Endowment for Democracy in the United States of America.

The CHRONICLE has promised that in the near future both its daily and Sunday issues will be bigger. For several years now, the daily issue, the Guyana CHRONICLE has been an eight-page publication while the Sunday issue has varied in size, 16 pages on some occasions and 24 pages on others. For the last five weeks, a sixteen-page format was used.

"It is hoped that our readers will appreciate that these changes are only temporary and that in the near future, both papers will be increased -- 12 pages on week-days and 24 on Sundays," the paper said. The paper promised that all the news, "good and not so good, will be published for the enlightment and entertainment of the people."

The GNNL is now under new management with retired cultural affairs officer at the Georgetown-based Caricom secretariat, Frank Pilgrim, serving as the new editor-in-chief and a former personnel manager at the company, Ulric Captain, returning to serve as general manager. They replaced Courtney Gibson who over the last three years was the company's general manager/editor-in-chief.

The CHRONICLE has been faced with a newsprint problem for several years, largely because of Guyana's acute shortage of foreign exchange. The company has had to reduce its purchase of newsprint from its traditional supplier, the Canadian company, Domtar, with which it has accumulated a large debt. And, in recent years, it has depended heavily on supplies from East Germany under a barter arrangement.

However, no supplies have been received as yet this year from East Germany and it is not yet known whether any would be forthcoming this year because of a reported scaling down of trade between the two countries. The Guyana-East Germany Joint Commission, which usually works out the barter arrangement, was scheduled to meet since around October of last year, but is still to convene.